

KONE Australia: a subsidiary's internal communication with its employees during organizational change

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ABSTRACT

Purpose – The purpose of this Master's Thesis is to present propositions for successful internal communications with employees in practice, as a part of change management in a MNC's subsidiary. A significant research gap identified by a number of scholars suggests that not enough empirical research and practical tools exist for management seeking support in the topic of employee communications during organizational change. Thus, the paper aims to put forth propositions through the analysis of relevant literature and empirical data collected from one of KONE's subsidiary that practices change management frequently. It does so in order to propose how internal communications should be executed, which issues communication could solve and how, and to provide a basis for further study in the field.

Method – The paper is an international study through the research of a subsidiary of a multinational corporation. The paper starts with an in-depth literature review covering the major approaches and frameworks of the topic of change management, internal communications and employee attitudes. The empirical data consists of face-to-face interviews with five employees that are experts in the field of study and a descriptive analysis of the subsidiary's internal communications. In the framework development, propositions are put forth to aid in the answering of two questions.

Findings – The propositions hypothesize that internal communication should be formulated and used in a way that it avoids employee resistance and uncertainty and achieves employee commitment to the organizational change. The empirical findings build upon the propositions in understanding how to deliver and formulate communications in order to avoid and achieve the employee attitudes in practice. The findings of the paper provides a basis for future international business and management researchers aiming to uncover the issues and solutions internal communications provide for influencing employee attitudes during organizational change.

Keywords: Change management, Internal Communication, Employee Attitudes

Table of Contents

1. INTRODUCTION	5
1.1 Topic Introduction	5
1.2 Background & Personal Motivation.....	5
1.3 Structure of the Master's Thesis.....	8
1.4 Positioning the topic.....	9
1.4.1 <i>Multinational corporations and their Subsidiaries</i>	9
1.4.2 <i>Employees as Stakeholders</i>	10
1.4.3 <i>Targeted Audience</i>	14
1.5 Problem & Research Gap.....	15
1.6 Research Objective & Questions	17
1.7 Limitations.....	18
2. LITERATURE REVIEW	18
2.1 Change Management.....	18
2.1.1 <i>Concept of Change Management</i>	18
2.1.2 <i>Definitions of Change Management</i>	19
2.1.3 <i>Types of Change</i>	19
2.1.4 <i>Change Management Summary: chosen & scale category change</i>	25
2.2 Managing change through internal communications	25
2.2.1 <i>Corporate Communications</i>	26
2.2.2 <i>Employee Communications</i>	27
2.2.3 <i>Linking change management and communications</i>	28
2.2.4 <i>Communication with employees during change</i>	32
2.2.5 <i>Internal Communication Summary: communicating during change</i>	36
2.3 Influencing Employee attitudes during change implementation	37
2.3.1 <i>Employee uncertainty</i>	37
2.3.2 <i>Employee resistance</i>	40
2.3.3 <i>Employee commitment</i>	44
2.3.4 <i>Employee Attitudes Summary: influencing attitudes through internal communication</i>	48
2.4 Theoretical Framework: Propositions	49
3. RESEARCH METHOD.....	53

3.1	Approach	53
3.2	Interviews	54
3.2.1	<i>Interviews as data collection method</i>	54
3.2.2	<i>Interviewee Participants and Ethics</i>	56
3.2.3	<i>Interview Questions & Structure</i>	58
3.3	Ethno-method	59
3.3.1	<i>Ethnomethodology: Background</i>	61
3.3.2	<i>Ethnography & Ethnomethod</i>	64
3.3.3	<i>Criticism by EM and its Limitations</i>	65
3.4	Usage of “I” in a Master’s Thesis	65
4.	EMPIRICAL FINDINGS	68
4.1	KONE Introduction	68
4.1.1	<i>Global KONE Strategy</i>	68
4.1.2	<i>KEA as a subsidiary</i>	70
4.1.3	<i>Change and Communication team at KEA</i>	70
4.2	FINDINGS	72
4.2.1	<i>Subsidiary Structure (KEA within the MNC)</i>	72
4.2.2	<i>Corporate Communications</i>	75
4.2.3	<i>Change Management at KEA</i>	78
4.2.4	<i>Internal Communication during change</i>	83
4.2.5	<i>Reflection on KEA practices</i>	86
5.	DISCUSSION OF FINDINGS	88
6.	CONCLUSION	94
7.	REFERENCES	97

Tables & Figures

<i>Table 1 "Factors Affecting Stakeholder's Potentials for Threat and Cooperation" (Savage et al. 1991, pg. 64)</i>	<i>11</i>
<i>Table 2: "Stages of organizational change: objectives, activities and communication needs" (Klein 1996, pg. 37).....</i>	<i>34</i>
<i>Table 3: Propositions for internal communication delivery and formulation to employees during organizational change at a MNC</i>	<i>50</i>
<i>Table 4: Propositions for internal communication during organizational change at a MNC with additional contextualized comments based on findings.....</i>	<i>92</i>
<i>Figure 1: "Diagnostic Typology of Organizational Stakeholders" (Savage et al. 1991, pg. 65)</i>	<i>12</i>
<i>Figure 2: " "Conceptual model of communication during organizational change" (Elving 2005, pg. 134).....</i>	<i>30</i>
<i>Figure 3: "A suggested framework for managing change associated with ERP" (Aladwani 2001, pg. 269).....</i>	<i>41</i>
<i>Figure 4: "A model of successful ERP adoption" (Aladwani 2001, pg. 273).....</i>	<i>44</i>
<i>Figure 5: Hypothesized empirical model of antecedents and consequences of employee commitment to organizational change" (Turner et al. 2008, pg. 35)</i>	<i>45</i>

1. INTRODUCTION

1.1 Topic Introduction

“Start with the presumption that in business, even more than politics, the only constant is change” (Kitchen & Daly 2002, pg. 46)

This simple, yet weighted quote, from one of the first change management articles researched for this paper, reflects the magnitude and significance of the topic of change management in the organizational world.

Change management is a topic that has been, and is being, researched again and again. There are numerous frameworks and theories around change management practices for multinational corporations, which begs the questions... why do change initiatives still fail at large? Is there something being missed? According to Kitchen and Daly (2002), around 70% of management programs for implementing change fail. These were the questions that initially triggered this Master's Thesis paper towards the topic. Another reason was the interpersonal nature of change management – no matter to what extent change implementation practices are forced into phases and technical steps, there is one human consideration that can not be fully predicted or planned for, but that requires careful thought and constant management, and that consideration is the people involved in change – in this paper's case, the employees.

1.2 Background & Personal Motivation

Being an international business and management student, I¹ have come across the topic of organizational change within multinational corporations repeatedly. While having never taken a specific course on organizational change or change management, a majority of university classes had cases or topics that touched upon the area of organizational change and its management, with no surprise. No surprise, because while change was and will always be inevitable, the market environment in recent years has made change adaption for organizations a prerequisite for survival. One could even

¹ See section 3.4: 'Usage of "I" Master's Thesis'. (Sword 2009)

suggest that companies that do not seek out change and the adaption of new technologies, strategies and mindsets, face a huge set back and are at risk, compared to their competitors that seek for these competitive advantages.

This massive shift in our business environment, pulling at the need for effective change management, is the underlying reason of why the topic intrigues me, as a researcher. It is through these numerous of courses and cases that touched on the same topic with different perspectives, that I decided to pursue it as a Master's Thesis topic as it raised question after question, in connection to something that is the most constant thing, yet comes as a difficulty to people: changing.

Due to this existing interest, during a Corporate Communication class about change management, the team I worked with took on the topic for a short course project. The focus of the topic was on internal communications during change management during mergers and acquisitions (which is, a type of organizational change). Based on the literature reviewed, class discussions and own experiences, we concluded for our project, that three factors are essential for successful internal communication during mergers and acquisitions in a multinational company: openness, justification and personalization. Below is a summary of the literature that brought the research to conclude on these three aspects on how to manage internal communication during change for this paper:

Dent & Goldberg (1999) and Scweiger & Denisis (1991) argued that employees do not in fact fear change itself, but the uncertainty that comes it. The 'openness' factor aims to reduce stress and uncertainty. By communicating all the required information as soon as possible and proposing change as a means of addressing a certain, clear issue, a company can create open communication and while uncertainty might not be eliminated, it can reduce it.

John Kotter (1995) argues that employees also need to feel that the change is justified. This is where Justification comes into play, as it is vital to communicate a thought-out vision throughout the organization. The project

found that the bigger the organization, the clearer and more simple a message should be. To successfully justify a change throughout the organization there must also be a strong coalition of backers, to not only support the change, but to enforce and stand by it.

The last factor, Personalization, was inspired by Heracleous's (2002) idea that successful change management requires more than the mere 'hard' structural aspects of an organization. It also needs a human and cultural aspect. He argues that ignoring these, so called, 'soft' aspects might explain the high number of failure rates within change initiatives. Managers should acknowledge the human aspects that affect change management. Personalization comes into play when managers identify these soft factors and aim to communicate to individuals the change vision and objectives. By putting personalized tone and voice to the message, organizations could help getting the message through to stakeholders in a more effective way (Kotter 1995).

The project only slightly touched upon the academic scholars available and showed how extensive literature is revolving the topic. Thus, it left me pondering, if the topic is as significantly researched, as it is, why statistics show high failure rate for implementing change? The hypothesis at this point was that while multinational corporations are guided by several well rounded frameworks on how to execute and implement change, they do not focus enough on the 'human' aspect of the process and how to reach them, which is far from clear cut.

The above thought process and experience brought the more narrow issue of internal communications with employees during change into focus. The question this raised was whether enough emphasis was put to effectively communicating with internal stakeholders, such as employees, during organizational change by multinational corporations. Furthermore, whether relevant academic field provided the necessary frameworks for change management at multinational corporations to use when

implementing change. As will be discussed in the research gap section below, both questions lead to a gap in academic research on the topics.

The topic of this Master's Thesis, internal communications with employees during organizational change, is one that each participant in the international business and organizational environment can relate to. Whether you are an employee that have experienced or going to experience organizational change, or if you're the one managing the actual change - the problem of achieving effective internal communication with employees will be a relevant one. It is one of the essential considerations multinational corporations should emphasize and focus on during change management, if they wish to implement change initiatives successfully and thus, remain competitive.

1.3 Structure of the Master's Thesis

The paper consists of six chapters that pursue the following order:

1. **Introduction** - In this chapter, the topic was introduced and the background and personal motivation for undertaking the research was discussed. The rest of the chapter is broken down in to four sections covering the positioning of the topic, identification of the problem and research gap, presenting the research objectives of the paper and questions, and finally, pointing out the limitations of the paper, which will also be elaborated on in the concluding chapter.
2. **Literature Review** – The literature review will cover relevant literature in order to put forth propositions connected to the research topic and questions asked. Three main topics are identified and divided into three sections: change management, managing change through internal communication, and employee attitudes during organizational change and how internal communications can influence them. The section ends with the theoretical framework where propositions are presented through reviewing the above topics.
3. **Research Method** – The research method and approach of the paper is introduced, and three methods are discussed: interviews, ethno-method and the usage of “I” in academic papers.

4. **Empirical Findings** – In the findings chapter, first, KONE and its subsidiary KEA is introduced where interviewed participants work at. Next, the chapter presents the empirical findings of the interviews conducted during the international traineeship at the subsidiary.
5. **Discussion of Findings** – The findings from the previous chapter and personal perspective are discussed in this chapter, building on and referring back to the propositions and questions raised beforehand in earlier chapters.
6. **Conclusion** – The concluding chapter aims to bring all the findings and observations together to briefly recap what was found, discuss the papers limitations, its implications to the international business and management field and mention the practical implications of the research through looking towards future studies in the topic area.

1.4 Positioning the topic

1.4.1 Multinational corporations and their Subsidiaries

Completing an Aalto degree in International Business and Management, and an International Management CEMS degree, the majority of my Masters' classes, company visits, business projects and business cases have been continuously revolving around multinational corporations. When thinking of multinational corporations, complex, exciting and fast changing companies that have hundreds of layers and structures to them, come to mind. This is why the topic and questions will be researched within the context of multinational corporations and its subsidiaries. It is important to differentiate this context from for example, domestic firms, as different phenomenon affect various type of corporations differently.

A multinational corporation, also known as MNC, is described as “an enterprise operating in several countries but managed from one (home) country. Generally, any company or group that derives a quarter of its revenue from operations outside of its home country is considered a multination corporation” (BusinessDictionary). Roth and Kostova (2003) explain that multinationals have been used for research and empirical

work in increasing numbers throughout the years. The three main reasons for conducting research in the context of MNCs are identified in their work as:

1. Study of MNC-specific phenomena
2. Validation and expansion of existing theories
3. Development of new theories

While all three are heavily researched, developing new theories is the most popular MNC research reasoning yet. (Roth & Kostova 2003) This paper, however, will more closely aim to validate and expand on existing theories. Instead of developing new theories, it will work off existing literature and empirical data to specific propositions and answer the paper's research questions, based on the most relevant findings.

The reason of studying a subsidiary within an MNC for this research came from my personal experience as an international trainee at KONE Australia and New Zealand (KEA), which is a subsidiary of the KONE Corporation. The international business and management field is also strengthened in the topic through researching a subsidiary as MNCs generally have multiple subsidiaries to manage across borders.

1.4.2 Employees as Stakeholders

While there are numerous stakeholders that are directly and significantly impacted during an organizational change, this paper focuses on the company's employees as internal stakeholders and key actors.

Businesses in all settings and business environments need to effectively manage their stakeholders. Grant T. Savage et al.'s (1991) article on managing the organization's stakeholders argues that organizations need to effectively implement stakeholder management within the overall organizational strategies they use. Similarly to many other managerial aspects in an organization, while stakeholder management might be obvious, theory doesn't always translate into action, and specific strategies must be developed, or as Savage et al. (1991) notes:

“Like many aspects of management, stakeholder management is sometimes assumed to be commonsensical or intuitively obvious. Yet in practice, stakeholder management

focuses on overseeing relationships that are critical to an organization's success."

(Savage et al.1991, pg. 62)

There are two types of stakeholders: primary and secondary stakeholders. The primary stakeholders are stakeholders that have a formal relationship with the organization, in an official or contractual basis. They also have a direct influence on the organization. Meanwhile, secondary stakeholders include all those that are indirectly influenced by, or are able to indirectly influence the corporation. (Savage et al. 1991)

This paper makes an initial assumption and hypothesis that the managing of stakeholders naturally becomes not only more difficult, but at the same time a higher priority, during certain periods such as economical turmoil, crises, or in this case, internal change.

Employees, as primary stakeholders according to the above definition, are undoubtedly one of the most significant stakeholders a corporation has and that it must manage. If we were to analyze an employee's potential threat or cooperation based on Savage et al.'s (1991) table below, we can come to the conclusion that employees may pose both a significant 'potential for threat' as well as a significant 'potential for cooperation', for the organization.

Table 1 "Factors Affecting Stakeholder's Potentials for Threat and Cooperation" (Savage et al. 1991, pg. 64)

	Increases or Decreases Stakeholder's Potential for Threat?	Increases or Decreases Stakeholder's Potential for Cooperation?
Stakeholder controls key resources (needed by organization)	Increases	Increases
Stakeholder does not control key resources	Decreases	Either
Stakeholder more powerful than organization	Increases	Either
Stakeholder as powerful as organization	Either	Either
Stakeholder less powerful than organization	Decreases	Increases
Stakeholder likely to take action (supportive of the organization)	Decreases	Increases
Stakeholder likely to take nonsupportive action	Increases	Decreases
Stakeholder unlikely to take any action	Decreases	Decreases
Stakeholder likely to form coalition with other stakeholders	Increases	Either
Stakeholder holder likely to form coalition with organization	Decreases	Increases
Stakeholder unlikely to form any coalition	Decreases	Decreases

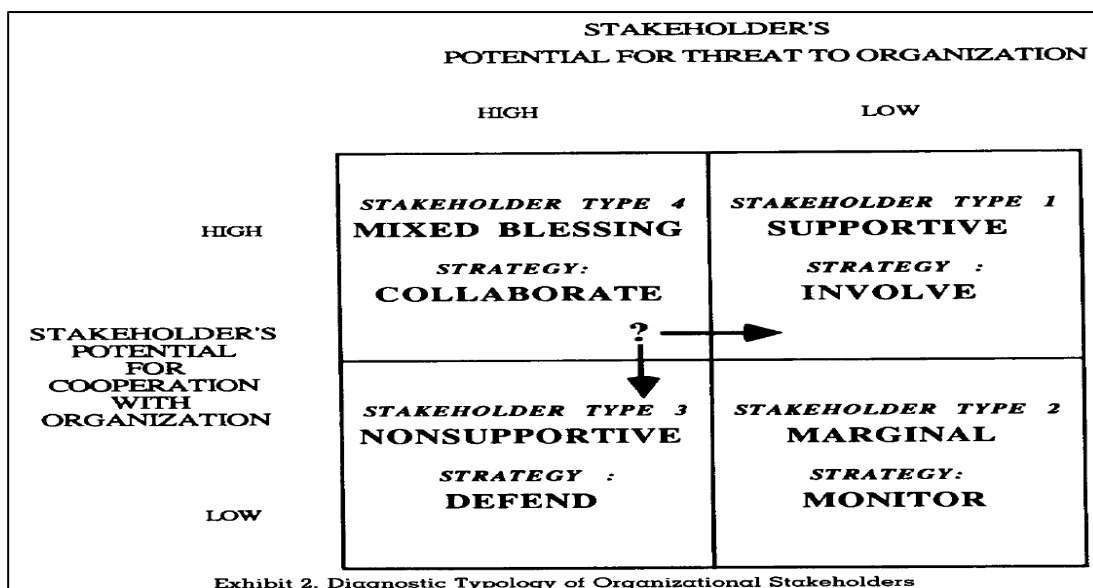
Exhibit 1. Factors Affecting Stakeholder's Potentials for Threat and Cooperation

Table 1 shows different characteristics that a stakeholder holds in one column, and its effect on either the specific stakeholder's threat, or its cooperation level for the organization. In addition, these potential threat or cooperation levels depend on two things (Savage et al. 1991):

1. The context and history of relationship between stakeholder and company
2. Other influencing factors from other key stakeholders

Savage et al. (1991) distinguish between four types of stakeholders shown below in Figure 1: 'Supportive', 'Marginal', 'Non-supportive' and the 'Mixed Blessing' type. Each type has a certain strategy the authors recommend an organization to implement within its overall stakeholder strategies. While the extent of potential threat employees may have vary according to how unique their skill set is, or the role and influence they have over the corporation, an employee falls under two stakeholder types: the Supportive and Mixed Blessing stakeholder types. It is vital to note here that both type of employees fall under a 'high' potential for cooperation with the organization. Some employees may be less of a threat, while some do hold high threat potential if not managed well. (Ibid)

Figure 1: "Diagnostic Typology of Organizational Stakeholders" (Savage et al. 1991, pg. 65)



In the Supportive stakeholder type, organizations should pursue a strategy that involves the supportive stakeholder in the relevant organizational activities. By involving the stakeholder in certain relevant issues, they in turn, can encourage cooperation and thus achieve the highest possibility that the stakeholder will be cooperative. While these stakeholders hold a high cooperation and supportive potential, they are also regularly overlooked and ignored as stakeholders that need to be managed. Some of the specific strategies here would be: participative techniques, decentralizing authority and increased decision-making participation of the stakeholders. (Ibid)

The Mixed Blessing stakeholder type urges for a collaborative strategy. Due to the fact that this stakeholder type doesn't just hold high a potential to cooperate but also poses a high potential for a threat, the stakeholder plays a major role. The best strategy, thus, is to collaborate with this stakeholder. (Ibid) This strategic decision is rationalized as: if the organization maximizes the stakeholders' cooperation, they will "find it more difficult to oppose the organization" (Savage et al. 1991, pg. 66). In either case, we can conclude that it is in the organization's best interest to take advantage of the potential of cooperation with both employees that fall under the Mixed blessing stakeholder type as well as the Supportive type.

The other two types of stakeholders, that employees do not fall under, are Marginal stakeholders and Non-supportive Stakeholders. The Marginal stakeholders are not rated as high in threat and are not so cooperative either. They do have some influence and effect from the organization but do not concern themselves with many issues. Examples of stakeholders here are: consumer interest groups or stockholders. It is important to note that large corporations may trigger some of these stakeholders to get involved with issues regarding environment or social well being (either towards cooperation or threat, depending on the nature of the activity – whether its harmful or helpful). Monitoring is the strategy that is a balance between not wasting too much effort on these stakeholders but still recognizing and staying aware of possible issues. The Non-supportive stakeholders are high threat potentials but low when it comes to cooperation. This type of stakeholder is the most worrying for top management and may include: competition,

unions, government or the media. A defense approach is most effective with this stakeholder group. (Ibid)

Kitchen and Daly (2002) quote Savage (1997) when describing the significance of employees as stakeholders:

“If knowledge is the pre-eminent productive resource, the most knowledge is created by and stored within individuals, then employees are the primary stakeholders” (Savage, cited by Kitchen & Daly 2002, pg. 47)

Other scholars, such as Porter (1985) also viewed employees as significantly important stakeholder with observations such as:

“Human resources management affects competitive advantage... and in some industries it holds the key to competitive advantage.” (Porter, cited by Kitchen & Daly 2002, pg. 47)

The authors establish a strong case for employees as one of the most crucial (and in some cases, debated as *the* most crucial) stakeholders an organization can have. (Kitchen & Daly 2002)

1.4.3 Targeted Audience

The main audience and target interest group for the paper are the members within the MNC world. Members range from students studying within the context of international business and management, young professionals in international or multinational companies, researchers researching within the context of international business and management, and members of MNCs, MNC subsidiaries, their leadership and management.

A more targeted interest group are a MNC's subsidiary members who are going through or are managing organizational change and are interested in practical internal communication actions towards employees to ensure a successful change implementation.

1.5 Problem & Research Gap

After a brief review of the available literature in the relevant field, it became evident that while plenty of research is being completed on the topic of change management and change implementation (especially from a technical project implementation perspective) the research and framework development for managers on employee communication for change management was limited and lacking. This was especially surprising considering that internal communication is considered to be among the factors that lead to organizational change implementations to fail around 70% of the times. (Kitchen & Daly 2002) Communications proved to be source of a high number of failures according to a significant number of scholars.

“Given the accelerated rate and complexity of changes in the workplace, it is not surprising that there is a large and growing literature on the causes, consequences, and strategies of organizational change. What is surprising, however, is the paucity of research on employee reactions to change.” (Herscovitch & Meyer, cited by Turner et al. 2008, pg. 33)

As established previously, change is inevitable in any organization – thus, change management and its success is a concern for MNCs striving to be and remain competitive in the market, or even to survive the complex and harsh business environment that is influenced by numerous of external and internal factors that are out of any organizations control.

Referring to the 70% failure rate of organizational change implementations, there consensus among scholars that while extensive literature on the topic of change management exists, there is a lack of empirical and practical frameworks that are relevant for managers seeking to successfully implement change. Rune Todnem By (2005) argues in his article on organizational change management theories that:

“...Theories and approaches to change management currently available to academics and practitioners are often contradictory; mostly lacking empirical evidence and

supported by unchallenged hypotheses concerning the nature of contemporary organizational change management” (By 2005, pg. 369)

Other authors such as Wim J. L. Elving (2005) has also raised the concern of the topic lacking empirical research, specifically communication during organizational change. He points out that while the attention on the topic grows, organizations still fail a significant number of times, reach a deadlock or do not reach the expected results.

Heracleous (2002) emphasizes that the ‘human’ factors of change is also heavily disregarded and not deemed relevant when it comes to change management, which leads to a high number of change initiative failures. While scholars identify different factors that influence the failure of change management and the build up of resistance by stakeholders such as employees, the solutions direct us to ones that involve specific communication strategies with internal stakeholders, to overcome the factors of conflicts. (Aladwani 2001)

One of the basic problems with achieving change in a MNC is that in order for an organization to implement change, people need to change with the organization. The question is, how to achieve that change. While the importance of change management has been established and agreed upon by practitioners early on, and proven by empirical studies, there is not enough empirical and practical research done focusing on one of the major factors that could lead to failures of change initiatives: internal communications during change. More specifically, how to communicate effectively and successfully with one of the key internal stakeholders: employees. Communication with employees during change should be implemented within change efforts. (Elving 2005)

The significant gap in internal communication studies suggests a gap also within internal communication in the context of change management. Welch and Jackson (2007) argue that despite its practical importance, the topic of internal communication as a whole has significant gaps, which is recognized by theorists:

“In spite of all of this research, however, we emerge from this section with little theoretical understanding of how internal communication makes organizations more effective.” (Grunig, cited by Welsch & Jackson 2007, pg. 178)

The gap is that much more significant since it results to workplace inefficiency, but is still a very much neglected management tool, which is why a practical perspective for internal communications managers is in demand: (Welsch & Jackson 2007)

“...no other corporate communication subfunction offers more of an opportunity for genuinely sought-after research than employee communication.” (Argenti, cited by Welsch & Jackson 2007, pf. 178)

1.6 Research Objective & Questions

The research objective of the Master’s Thesis is to put forth propositions and discuss them in relation to the research questions and empirical findings in a descriptive manner. The propositions will aim to provide a hypothesis based on the research questions of this paper and will act as a base for future research. The propositions will be developed through the review and analysis of literature and the analysis and findings of empirical data.

My research question is two fold:

1. How should internal communications be formulated and delivered to employees during organizational change management?
2. Considering the issues that arise in subsidiaries of MNCs during organizational change, how can change managers use internal communication with employees to begin solving these issues?

Sub questions focusing on my interviews include:

- In what ways are communication efforts by the subsidiary influenced by the organization as a whole?

- What do communication efforts entail in practice during an organizational change event?
- What conflicts, issues and difficulties arise with internal communications with employees during organizational change?

1.7 Limitations

The Master's Thesis is limited to one subsidiary of an MNC with five interviews. Thus, since a bigger sample was not obtained, bigger generalizations can not be made for all subsidiaries in multinational companies. The framework development presents propositions and does not seek to develop a new framework or theory but hypothesis instead about internal communication actions in practice in a MNC's subsidiary and provide groundwork for further study.

2. LITERATURE REVIEW

2.1 Change Management

Organizational change management has been a well-researched area due to the notion that successful change management is a must in order for organizations to not only survive but also to succeed, remain competitive and strive within the unpredictable business environment. Thus, numerous theories have evolved over the years to study effective management of change. This chapter will discuss the concept of change and review different approaches and frameworks.

2.1.1 Concept of Change Management

Change management, as argued by Kitchen and Daly (2002) is not an exact science or a clearly defined discipline with set out boundaries, but a concept that draws on different social sciences, disciplines and traditions. The topic is a well and thoroughly researched one because organizations, in general, acknowledge the reality that the environment and especially business environment, is constantly changing. The difficulty and complexity of change management arises from the fact that people "both fear and seek change" (Kitchen & Daly 2002, pg. 47). Change, thus, can either be an opportunity that

organizations take advantage of, or a risk. There are many forms of change depending on its nature and the environment it presents itself in. Organizational change can range from changing organizational charts, to changing the very nature of an organization's way of operating and doing business. (Kitchen & Daly 2002)

2.1.2 Definitions of Change Management

The study of change management is essentially...

“An ongoing attempt to understand industry dynamics which businesses must operate in, as well as the organization's own internal dynamics” (Kitchen & Daly 2002, pg. 48).

Rune Todnem By (2005) assesses the various theories that have developed throughout the years. Change management is defined in the article as...

“The process of continually renewing an organization's direction, structure and capabilities to serve the ever-changing needs of external and internal customers”
(Moran & Brightman, cited by By 2005, pg. 369)

And is described as an...

“Ever-present feature of organizational life, both at an operational and strategic level”
(By 2005, pg. 369)

These are the definitions and perspectives of change management that will be used throughout the paper, as the authors constructed a well-defined description of the change management concept and how it plays out in an organizational setting that can be used for the purpose of this paper.

2.1.3 Types of Change

There are different literatures describing and structuring types of change in various ways. For the purpose of this literature review, the categories of change by By (2005),

Cornelissen's (2014) additive and substitutive change, and lastly, a simpler version of crisis versus chosen change type by Price & Chahal (2006) are reviewed.

2.1.3.1 Categories of change

The three categories of change are identified by By (2005): rate of occurrence, how it comes about and scale – the following section will summarize each category:

“Rate of occurrence” category:

Theory on the occurrence of change and its effect on organizations have evolved, as initially academics such as Rieley and Clarkson (2001) argued that with constant change, organizations could not operate effectively due to their need for routines to improve performance. More recently however, and in a more wide spread agreement, authors such as Burnes (2004) argue for the fact that change, is actually vital for organizations and its employees. Leifer (1989) adds to this concept by stating that change is a “routine in its own right” (By 2005, pg. 371) and it is a natural response to internal and external conditions. (By 2005)

The five types of change that were identified by the author for this specific change category were: discontinuous, incremental, bumpy incremental, continuous and bumpy continuous change. (Ibid) While the approaches researched were categorized under these types, it is important to note that different authors used different terminology when discussing types of change.

Discontinuous change, defined as, “change which is marked by rapid shifts in either strategy, structure or culture, or in all three” (By 2005, pg. 371) is the result of significant internal or external issues. They are characterized as one-time events that lead to lengthy stillness and consolidation periods. Authors advocating discontinuous change as an approach, point to its cost-effective characteristic as it is not an ongoing process of change which is usually made up of costly change initiatives. They also argue that it causes less turmoil than continuous change. By (2005) states, however, that there is a consensus among contemporary authors (such as Bond (1999), Grundy (1993), Holloway (2002), Love et al. (1998) and Taylor and Hirst (2001)) that the

benefits from this approach do not last - arguing that they allow for defensiveness, inward focus and routines which lead to situations where significant change is again required, frequently. Instead of discontinuous change, an arguably better approach is presented by the continuous change approach. Organizations should continually monitor and pro-actively react to internal and external factors in an on-going process with small phases. (By 2005)

Incremental change was described by Burnes (2004), as different organizational parts increasingly, and separately dealing with one problem, one objective, at one time. The argument for this type of change is that change can be successfully implemented through “successive, limited and negotiated shifts” (By 2005, pg. 372) This approach is divided into two: smooth and bumpy, incremental change – making the distinction between change that comes about slowly in a systematic nature continuously and change that have periods of calm that are disrupted by fast pace change. The first type is known to be rare (By 2005) especially in the current organizational environment, influenced by various revolutionary forces mentioned earlier (Kitchen & Daly 2002).

Different academics view the relation between continuous and incremental change differently. While some, such as Burnes (2004), understand continuous to be ongoing changes in different departments/operations and incremental change to be organization-wide strategic and competitiveness changes to adapt to internal and external environments, others combine these two types in an attempt to simplify categories. By (2005) argues that simplifying and combining these two types makes it hard to differentiate between changes occurring on an organizational-strategic level and operational/departmental level.

“How it comes about” category:

By (2005) identified two dominating approaches for change characterized by ‘how it comes about’: planned and emergent change. Burnes (2004) explains the planned approach to organizational change attempts and explains the process that brings about change – Eldrod II and Tippett (2002) cited by Burnes (2004) also discuss importance

of understanding the states organizations will go through when undergoing change and moving towards a desired organizational state, from the unsatisfactory one.

Cited by Burnes (2004), Lewin, a theorist and researcher initiated the 'planned approach' to change, in 1946. He argued that current and old behaviors within organizations need to be discarded before changing and trying to implement a new one successfully. This led to his theory on how successful change projects must be implemented through three steps: unfreezing present level, moving to a new level, and refreezing the new level. This model is widely accepted and adopted as a framework for implementing and processing organizational change, however, it is also argued to be broad and vague in nature. (By 2005)

There are three major criticisms for the planned approach to change models. First, critics suggest that the models emphasize small-scale and incremental change and are not actually applicable when a rapid and transformational change is required. Second, the model takes for granted the assumption that organizations operate with conditions that are continuous and in a pre-planned. Third, major criticism of planned change is that it ignores situations when change is required in a directive approach for example during crisis when incremental and well-consulted option is not possible. Finally, it is argued that the approach does not take into account that some stakeholders might not want the change and are not willing or interested in implementing it – thus ignoring organizational politics, conflicts and issues that might not be easily resolved. (By 2005) This criticism is the most relevant for the purpose of this paper as it takes on an internal stakeholder's perspective during organizational change.

The 'emergent' approach focuses on change being driven from 'bottom-up' rather than the classical 'top-bottom'. The reasoning for this emphasis on devolving organizational change throughout the organization to lower levels, not just top executives and managers, is that the approach suggests change happens so fast, its impossible for senior managers to "identify, plan and implement the necessary organizational responses" (By 2005, pg. 375) effectively. (By 2005)

Instead of viewing change as several linear events within a time frame, the emergent approach to change perceives it as an unpredictable, continuous and open-ended process where adaptation is needed to the constantly changing situations and internal/external conditions. Burnes (2004) emphasizes, that successful change might have less to do with planning and more with understanding the complex issues and available solutions for them. By (2005) concludes from this that the emergent approach is less 'planning steps' focused and more focused on organizations being ready for change and ready to facilitate change throughout.

By observes that there is a gap in research when it comes to approaches for leading and managing change. While he notes that there are those, advocating emergent approach to change, that suggests several actions that organizations should follow, they are characterized as "abstract in nature and difficult to apply" (Burnes 2004, pg. 375). He mentions three authors that have offered more practical frameworks to organizations and managers regarding managing change: Kanter's (1992) commandments, Kotter's (1996) process and finally Lueche's (2003) steps which actually identifies similarities and differences between the two previously mentioned frameworks. (By 2005)

It is important to note the criticisms for the emergent change approach as well. It has been argued that as the emergent change approach is new compared to the planned approach, it does lack coherence and variety in its techniques. Furthermore, authors advocating for the emergent approach often have been criticized to have more in common criticizing/standing against the planned approach, than agreeing on a different approach. With these criticisms in mind, if one agreed with the volatile and dynamic internal and external environment organizations operate and to which they need to adapt constantly, Burnes (1996) argues that the emergent model does suit organizations, in all types of situations, all the time. (By 2005)

"Scale" category:

Change characterized by scale has reached a broader, general agreement among scholars and authors focusing on the topic. There are four different characteristics identified within this category, which are: fine-tuning, incremental adjustment, modular

transformation and corporate transformation. These four are sometimes mentioned under a different name, but are generally agreed upon by academics. (By 2005)

Fine-tuning perceives change as a continuous process in order to align an organization's "strategy, processes, people and structure" (By 2005, pg. 377), and usually would happen on a departmental or divisional level. It aims to literally 'fine-tune' the organizational aspects and promote individual and group commitment within the organization. Meanwhile, incremental adjustments do not deal with significant changes but are specifically focused on modifications to certain processes or strategies. On the opposite side, modular transformation does deal with significant changes to the organization, but narrows it to a certain department or departments. Lastly, the corporate transformation is a radical change that affects the entirety of an organization in a drastic manner. By (2005) doesn't go in depth with the scale category which reflects the notion that academics are more or less on the same page when it comes to change categorized by scale. (By 2005)

Cornelissen (2014) also adapts a 'scale' perspective when describing types of change. He differentiates between two types, additive and substitutive change. Additive change is a small-scale, incremental change that could be undertaken in order to enhance productivity or performance, or in order to solve a specific operational problem. This type of change is characterized as short-term, strict time-framed change with a clear starting and ending. It also focuses on specific parts of the organization. The main challenge for leadership in this type of change, as Cornelissen argues, is getting support for the change. (Cornelissen 2014)

The Substitutive change, on the other hand, is a large scale change initiative that its purpose is more drastic change, for example: redefinition of organization's purpose or a substantial restructuring or change in strategy. The reason for change here could be the need for an organization to adapt or reorient its overall structure and position itself competitively in the market or specific industry. This type of change is long-term and while it has a clear starting point, the time needed to realize the change in practice is not always clear-cut and might need readjusting. (Cornelissen 2014)

2.1.3.2 Crisis and Chosen change

Another way of looking at types of change is in the form of “Crisis change” and “Chosen change”. (Price & Chahal 2006) In order to develop any type of implementation plan and to understand the change management process for the change, managers need to understand what type of change are they dealing with.

“Crisis change is a reactive approach driven by external factors and fear of failure.”

(Price & Chahal 2006, pg. 239)

While...

“Chosen change is more a proactive approach driven by a workforce committed to the success of an organization.” (Price & Chahal 2006, pg. 239)

2.1.4 Change Management Summary: chosen & scale category change

Different authors describe change differently but many, or most, of these approaches overlap in one way or another. Cornelissen’s (2014) approaches to change, referring to change process created by authors such as Kotter’s Eight Stage Process for successful organizational transformation, all required one vital component for successful change realization: Communication. This common factor stays consistent through the types and categories of change.

Considering the context of the empirical research, this paper will discuss change in the context of chosen change in the scale type of change category. While the subsidiary discussed in this study certainly faces other types of change, as do other multinationals, this type of change is the most common the change management faces day-to-day – thus, the context of the interviews and their answers, also reflect chosen change in the category of scaled change, and more specifically, additive change.

2.2 Managing change through internal communications

Focusing the research on successfully managing change through internal communication with employees during organizational change, the paper reviews some

of the popular literature in this section that cover the topic of internal communication and its connection to managing change.

2.2.1 Corporate Communications

Before going in-depth on communication during change and approaches, literature on corporate communications is reviewed and more specifically, employee communications, to establish a basis for what internal communication should look like according to some scholars. J. Cornelissen's "Corporate Communication: A guide to theory and practice" (2014) text book previously discussed in the introduction and used for a class project that lead to the initial interest towards this topic, has been a popular piece of literature used by academics to teach the subject.

The need for a good communication model arises from the fact that we currently live in an era of 'voiced' stakeholders, as Cornelissen (2014) puts it, where traditional one-way structure is no longer sufficient and a more interactive, well rounded communication strategy needs to be developed by organizations. What companies want to achieve through communication can be divided into timelines, starting with the 1960-1970s where the aim was publicity, promotions and information. From 1980-2000s communication was focused towards positioning corporations and as of 2000 to present times, communication is focused towards stakeholder engagement, emphasizing: advocacy, interactivity, transparency and authenticity. (Cornelissen 2014)

When designing an overall communication strategy for a corporation, the strategy has to be designed according to how the firm wants to be seen by its stakeholders. In the case of this thesis, the focus is on employees, as the stakeholder group corporations need to communicate to, meaning they are the ones strategy should be directed towards for the purpose of this research. The strategy should work towards aligning the reputation of the company in line with its vision. Its important to analyze whether or not there is a gap between how a stakeholder group sees the company and how the company wants to be seen by its stakeholder group. (Ibid)

Corporate Communication, however, has many definitions and can be understood in many different ways. Welsch and Jackson (2007) work off Van Riel's approach to describe three corporate communication types. The three types of communications are: management communications, organizational communications and marketing communications. While some authors such as Riel (1995) and Argenti (1996) view and place internal communications as a strategic public relation component within corporate communication, Welsch and Jackson (2007) argue against this view as internal communications presents itself in both management and marketing communications as well.

According to Welsch and Jackson (2007) internal corporate communication has four major goals:

1. "Contributing to internal relationships characterized by employee commitment"
2. "Promoting a positive sense of belonging in employees"
3. "Developing their awareness of environmental change"
4. "Developing their understanding of the need for the organization to evolve it aims in response to, or in anticipation of, environmental change" (Welsch & Jackson 2007, pg. 188)

Other authors, such as Elving (2005), argue internal communication to have two goals, which overlap Welsch and Jackson's (2007) four major goals: to inform and to create community - to be discussed in more depth in the next sections.

2.2.2 Employee Communications

When it comes to communicating to employees as a stakeholder group, companies need to be able to meet employees' individual expectations, stimulate creativity and at the same time, also persuade them to act in a manner that pursues the organizations overall objectives. The communication should aim to achieve and uphold these objectives. There are two communication types towards employees that Cornelissen (2014) mentions: management communication, and corporate information and communication system. While the first one is a communication between the managers and their

subordinates, the second one is a company wide communication happening from top down. (Cornelissen 2014) That brings us to the communication flow.

Cornelissen (2014) identifies downward communication in an organization as information flowing from top down, from executives to front line employees. This communication can be either electronic, hard copy or verbal, its aim is to inform employees about organizational matters such as performance, contributions, news, etc. Upward communication happens when front line employees, mid or senior managers send information upwards to company leadership. It is vital to allow upward communication; this can be information for example about employees themselves, coworkers, organizational practices and policies or employee needs and actions. (Ibid)

The justification of establishing an effective communication strategy with employees in an organization can also be found in organizational identification. Employees that are able to identify with their organization – which can be achieved through aligning reputation and strategy, as mentioned earlier – are more satisfied, cooperative and show helpful behavior. Cornelissen (2014) defines organizational identification as the feeling of belonging and ‘oneness’ with the company, where they are able to define their individuality through being a member of the company. Identification with an organization also leads to feeling proud of being a member of a company and increases external prestige perception. Communication - successful and sufficient communication – increases and enables this identification to happen. (Ibid)

Another factor that plays part in achieving organizational identification is the degree to which employees participate in the organizational decision-making. This doesn’t necessarily mean making decisions but the degree to which employees have the ability to speak up and to what extent they are listened to in an organization. (Ibid)

2.2.3 Linking change management and communications

The role of internal communication within change management has been emphasized by several authors, such as Kitchen & Daly (2002), who refer to Grunig’s work where he argues that: internal communication is completely entwined within the organizational

systems, structures and environment, so that without it, the organizations could not exist. Kitchen and Daly (2002) quote Grunig stating that internal communication is:

“Not only a crucial variable in relation to achieving organizational success, it is also a precursor for organizational existence as well” (Grunig, cited by Kitchen & Daly 2002, pg. 46)

Price and Chahal (2006) argue that most organizational changes that have been unsuccessful can be linked back to poor communication, among other factors. Finbarr Daly et al. (2003) explore the role of internal communication during change in their article and explore the relationship between change management failing and internal communication. They come to several conclusions through interviews that show how communication internally, during change, depends on different aspects such as: organization size, structure, corporate/national culture, trust, corporate politics and ownership.

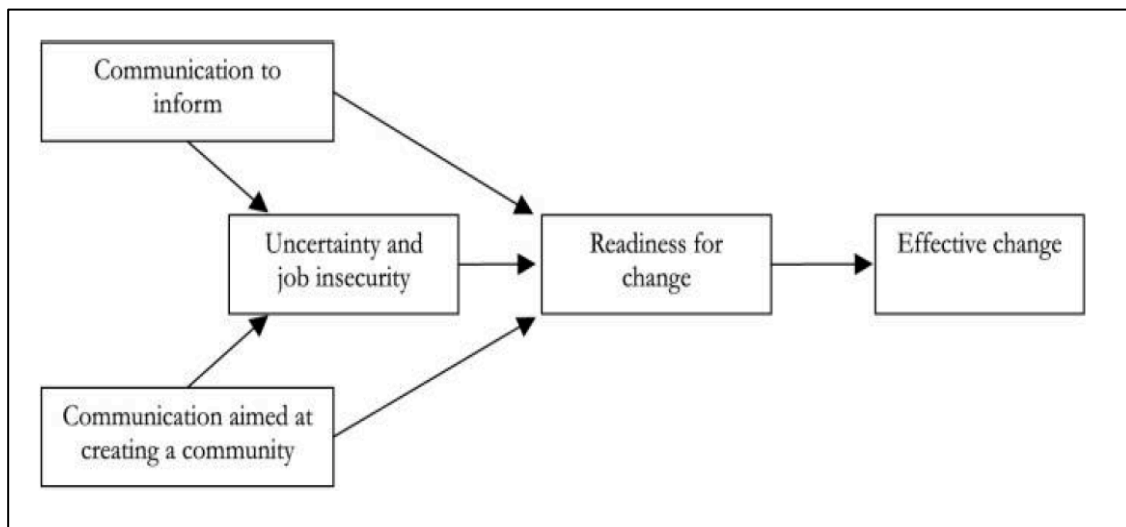
As a whole, the interviewee’s definitely saw a link between internal communications and successful change management, but often had a different perspective on it, emphasizing on different influencing factors. Daly et al. (2003) divided the findings into two opinion groups. The first opinion groups emphasized the need to communicate the big picture, keeping employees and stakeholders ‘in the loop’ and stressed that it is vital to communicate the rational for change. They suggested that there be conversation about the impact the change will have on employees and allow feedback. Meanwhile, opinion group two focused on the top managements’ need to genuinely want and believe in the change they were implementing. However, also noted that some employees were more interested in wage packets and their job securities than understanding, for example, a strategic direction of a change initiative. The second opinion group was noted to come from a lower income group than the first one. This opinion group also noted that too much information can be ‘overkill’ and should be controlled. (Ibid)

The first group’s requirements and needs of communication during change, takes us back to Cornelissen (2014), who argued that organization’s who communicate to

‘voiced stakeholders’ should strive for: transparency, authenticity and overall interactivity between employees and leadership/management, all of which are reflected in the findings above.

Wim J. L. Elving (2005) argues that organizational change implementation and its communication process are two directly linked processes that each affects the other. Thus, he states that communication needs to be a part of change efforts and strategies in order for people to change, so that the organization itself can go through the change successfully. Elving (2005) presents six propositions and a model resulting from them, in his paper, with the purpose of guiding empirical research on creating effective communication. The aim of the model and propositions is to better understand the process of change and the communication efforts that should be made, which are vital for the successful change management and implementation. (Ibid)

Figure 2: "Conceptual model of communication during organizational change" (Elving 2005, pg. 134)



Each proposition put forth corresponds to the model's process steps.

The end result of the model is to achieve effective change. Thus the author raises the questions: what is effective change? What makes a change effort an effective one? We are also reminded about the gap in the literature that we established earlier in the paper as Elving (2005) notes,

“...Although there is a clear trend on managers to examine their performance, little or no empirical research is available on effective change” (Elving 2005, pg. 130).

Elving (2005) makes the assumption that when the organization's employees are ready to accept change, the change will become more effective. Which leads us to his first proposition that states that effective organizational change should be reflected by the low resistance levels to change and the high readiness levels to change by the employees. (Ibid)

If we look at the overall communication goals of an organization, as shown in the first two blocks in Figure 2, above, on one side we have communication to inform employees on general concerns such as tasks, policies or issues within the organization. On the other side we have communication aimed to create a community within the organization. Elving (2005) makes two propositions for this part of the model. First he proposes that the main purpose of change communication should be informing organizational members that a change is happening, how and why their work will be altered as a consequence and should also serve as an informative function. The second proposition here is that communication should aim to create community, as it will result in stronger commitment from employees, trust in the organization and management, and also organizational identification. The author argues that both of these communication efforts affect employees' readiness for change, and the overall effectiveness as a result. (Ibid)

Employees undergoing organizational change often feel uncertainty towards and about the process, expected outcomes and personal implications of a change. Elving (2005) mentions that knowledge motivates change and it is more than just a pre-requisite. His fourth proposition, thus, is that high level of uncertainty will have a negative impact and affect on the readiness for change. And fifth, that when organizational change has the possibility of resulting in downsizing, job security will have a significant impact on readiness for change. Elving's (2005) last, sixth, proposition is that communication made by the organization towards employees will influence both proposition four and five. Furthermore, if an organization does not communicate clearly on what changes

individuals will have to undergo and adapt to, rumors and other negative forms of information might develop from the underlying uncertainty within employees. (Ibid) While the model and propositions while not providing us with a managerial tool for effective communication, certainly guides us towards what is necessary and vital to communicate to employees in order to achieve effective organizational communication during change. (Ibid)

Tony P. Doukakis (2003) raises the issue of employee resistance and argues effective communication to be the key for successful introduction to change in an organization. Doukakis' (2003) research, based on a study he executed that aimed to establish the feelings of employees during change, concluded that poor communication was a key driver of negative feelings among the employees and there was a significant issue with middle management's communication. They were not only poorly prepared to manage people through change but were also not able to effectively and correctly flow information downwards to the employees as it was being withheld, changed, manipulated or in some cases delivered unreasonably late for various reasons. Three concepts were identified that arguably leads to reduction of resistance among employees are: trust, empowerment and effective Communication (Ibid).

The next chapter will discuss resistance in more detail, but referring back to our previous authors, we find overlapping of frameworks. Effective communications should entail informing employees transparently and honestly, which in turn will also raise trust and lead to the increased strengthening of internal relationships. 'Voiced' stakeholders will require communications that promote the feeling of employees empowerment so that motivation can be achieved, as well as the 'in control' feeling of employees' own working conditions.

2.2.4 Communication with employees during change

Stuart M. Klein (1996) discusses the lack of efficient strategic communication during an organizational change in a MNC. According to Klein (1996), significant organizational changes are usually implemented incrementally. If using By's (2005) scale category of change discussed earlier in this paper, we could characterize these as 'incremental

adjustments'. This means that the change is slow in the beginning and non-inclusive, leading to only a fraction of the workforce and management being involved in the change process and implementation. This could lead to the workforce 'vaguely' realizing there is a change underway but not having more information. This would, in many cases, lead to rumors, anxiety and resistance to take root due to the ambiguity of the change. Due to the slow start to the change, by the time efficient and clear communication takes place, the participants in the change, would have developed certain perceptions and attitudes towards the change that can be negative. (Klein 1996)

Through personal experience with change implementation at a MNC, where they implemented a work measurement system, Klein (1996) came to a conclusion on how communication strategies could have improved – as in their case, while production rose, overall job satisfaction fell drastically. The first problem was that, the message employees received in reality, about the change, was not in line with the intended message sent out by leadership. Participants of change did not fully understand the change and how they were affected by it, even though communication effort was made to convey these issues. The other issue was supervisors or specific employees that have had strong negative feelings and thus, attitudes, about the change influencing the rest of the participants. Klein (1996) mentions that this problem was solved in one of the plants as members that were in charge and part of the change implementation process made themselves available to the workforce to explain what, why and how they were doing the change – this neutralized and lowered the negative impact at the plant, compared to other plants that did not do this. (Ibid)

Through his experiences, Klein (1996) constructed communication principals that he argued could be used to create a communications strategy. The principals state that

- Message redundancy is connected to its retention
- It is more effective to use several mediums of communication
- Face-to-face is the most favorable communication medium
- Line hierarchy most effective communication channel that can be used
- Direct supervisors should be involved in the information delivery

- Opinion leaders should be used to influence attitudes and feelings
- Information that is directly relevant for the receiver has a higher retention than ‘abstract’ and generalized information

Furthermore, he argues that,

“Communications strategy should coincide with the general stages of a planned change and the relevant associated information requirements” (Klein 1996, pg. 34)

Klein (1996) uses Kurt Lewinian’s model of three stages of change to analyze his findings – the same model that was identified in the previous section as an established “planned approach” to change by By (2005).

Table 2: "Stages of organizational change: objectives, activities and communication needs" (Klein 1996, pg. 37)

	Unfreezing	Changing	Refreezing
Organizational objectives	Readyng the organization for change Challenging the <i>status quo</i> Provision of rationale	Beginning the process Developing momentum Evaluating pilot efforts	Reinforcing the change Shoring up weaknesses and correcting deficiencies Making the change demonstrably successful Institutionalizing the change
Organizational activities	Planning the organizing for change Assembling resources Designing structure Training personnel Targeting change areas Collecting baseline data Soliciting participants' input	Implementing change in selected areas Monitoring impact of change Modifying or fine tuning process as warranted Extending changes as warranted	Broadening the change to all appropriate areas Rewarding successes Solidifying supporting monitoring organizational structures
Communication needs	Explaining issues, needs, rationale Identifying and explaining directives Identifying and explaining first few steps Reassuring people Informing management cadre	Informing employees of progress Getting input as to effect of the process Developing sophisticated knowledge among all supervisory management personnel Challenging misconceptions Continual reassurance of employees Delineating and clarifying role relationships and expectations	Publicizing the success of the change Spreading the word to employees

As the table shows, Klein (1996) analyses the organizational objectives, activities and lastly, communication needs, corresponding to the stage an organization’s change process is at.

During the unfreezing stage of an organizational change, the objective is to ready the organization for change, and to challenge the status quo. Thus, the activities corresponding to this stage would be to plan the actual organizational change. This includes assembling resources, designing the structure of the change, training the relevant personnel and focusing on the areas that will undergo the actual change. During the unfreezing part, organizations should also solicit the change participants' input and collect data relevant for the change implementation. For this stage's objectives and activities, Klein (1996) suggests specific communication needs. Participants need to be explained issues, needs and the rationale of the change. The first steps should be identified to them and explained clearly with clear directions. This stage is also for reassurance and informing the management and people that will help participants through the change. (Ibid)

The objective during the second, changing phase, is to begin the process of change and develop momentum for it. The efforts made during the first stage should also be monitored and evaluated here. Activities include implementing the actual change, monitoring impact and modifying and fine tuning them on a constant basis. The communication needs at this stage is constant and clear communication to employees informing them of the progress of change that is implemented. Furthermore, receiving input on how the change is going in practice, so implementation can be adjusted accordingly is also vital. Clear and consistent communication is needed with supervisory management in order to develop knowledge and scan any possible conflicts that might arise. Overall, this stage is about continuous reassurance, clarification of roles and expectation and clearing up/challenging misconceptions about the change. (Ibid)

During the refreezing, which is the last stage in the model, objectives are to reinforce change and identify any possible conflicts or weaknesses. Any deficiencies or weaknesses should be corrected at this stage so that the change can be institutionalized correctly, which is the refreezing part of the stage. The main activities here would be to solidify monitoring structures for the change process, rewarding success where applicable and ensuring that change is implemented in all relevant areas. Organizations'

communication needs at this stage is to publicize change success and spread this information internally to employees. (Ibid)

The take-away from Klein's (1996) analysis besides the communication needs for each stage of change within an organization - if the stages are relevant to the organizational change because as discussed earlier, this model is considered vague and might not be applicable to all change implementation (By 2005) – is that lack of strategic communication could be a factor that leads to failure. (Klein 1996)

2.2.5 Internal Communication Summary: communicating during change

The connection between internal communication and successful change management is thus visible. In order to achieve successful change implementation and ready the employees for the change, effective internal communications efforts have to be undertaken. There are several points from the literature reviewed above, that aids in the development of propositions of successful and effective internal communication delivery in practice.

First we must engage in what 'voiced stakeholders', the employees, require from internal communications in an organization. Referring back to Cornelissen's (2014) factors that organizations aim for during communication, organizations must strive for communication that encourages advocacy, interactivity among employees, transparency throughout the organization and an overall authenticity in the way the MNC and its subsidiary communicates. Other authors such as Daly et al. (2003) have also argued the need for transparency and authenticity as they found that employees require communication about the 'big picture' of changes and genuinely want to believe in the change. If misinformed or under informed, employees could develop individual, in many cases negative, perceptions and attitudes towards the change and the organization itself. The flow of the communication should also be noted, as all communication flows should be used, not just the most common, top to down method. (Klein 1996)

Internal communication actions should be directed towards its ultimate goal. Elving's (2005) previously mentioned communication goals argued that communication should:

inform and create community. Expanding on these two factors, Welsch's (2007) communication goals zoom in and expand on the two. On the informing side, companies must ensure employee understanding of the environmental changes they are/will face and in connection to that, develop their knowledge on the rationale behind the change in response, and why it is needed and beneficial. On the community creation side, there should be a focus on building internal relationships and developing sense of belonging among the employees.

To ensure intended and thought out internal communication is delivered to serve its purpose, explained above, several mediums and communication channels need to be used so that the right employee target group receives the message. While the more mediums used, the better, the best and most effective way to communicate has proven to be face-to-face communication. We must also look at what we communicate and when, in order to ready, begin and keep the change process and implementation going smoothly. (Klein 1996)

There is an additional layer to effective internal communications during change management, which entails the understanding and managing of employees' perceptions and attitudes. (Klein 1996) The understanding of this targeted group's attitude is a significant part of successful change management and must be answered and focused on through effective internal communications. (Aladwani 2001)

2.3 Influencing Employee attitudes during change implementation

2.3.1 Employee uncertainty

"Uncertainty is one of the most commonly reported psychological states in the context of organizational change" (Bordia et al. 2004, pg. 508)

Prashant Bordia et al. (2004) define uncertainty, quoting Milliken (1987) as the "inability to predict something accurately" (Miliken, cited by Bordia et al. 2004, pg. 508). The sources of uncertainty are multiple, starting with lack of information, ambiguous or contradictory information and more. Depending on the type of change an organization is going through, employees may feel uncertain about different issues

regarding the change's nature and process. Bordia et al. (2004) describe three types of uncertainty.

1. Strategic uncertainty

This type of uncertainty is regarding organization-level issues. These could include uncertainty about the reasons for change, planning of change, future direction of the organization and its sustainability due to the change and more. Employees might feel uncertain about the underlying reasons for change and its nature. This uncertainty also reflects the unclear strategic vision of the change. (Bordia et al. 2004)

2. Structural uncertainty

Structural uncertainty refers to uncertainty of internal changes to the organizational structures and workings. This could refer to any internal operational aspect such as reporting or the functioning of different departments or units. During an organizational change that requires, or aims for, organizational restructuring, functions and departments are often switched around or even disbanded in extreme cases, including changes to the chain of command and policies and practices. These would lead for employees to feel uncertain about the specific aspects of the current organizational structure. (Ibid)

3. Job related uncertainty

As the title suggests, this type of uncertainty is regarding employees' jobs, for example: job security, promotional opportunities and changes to the underlying roles and responsibilities currently held. Most uncertainties coming from organizational change are tied to job related uncertainty. (Ibid)

While the uncertainties are interrelated, recognizing the type of uncertainty can ease the understanding of the type of uncertainty employees face during a change initiative. Naturally, negative consequences occur from uncertainty such as anxiety, feeling helplessness, low performance and mental strain. (Ibid)

“Management communication is one of the most commonly used and advocated strategies in reducing employee uncertainty during change” (Bordia et al. 2004, pg. 513)

Bordia et al. (2004) identify two ways to use communication in order to avoid and reduce uncertainty among employees: Quality of change communication and participation in decision-Making.

The quality, and the content of the change communication by the management allows for the flow of information regarding the change itself, which helps employees to be ready and prepared for the change, thus helping the coping process. The information aids in getting employees to understand the reasoning and objectives of the change, which reduces uncertainty. Timely, credible and trustworthy communication is found to reduce uncertainty among employees as well. Another factor increasing through this type of communication is the feeling of personal control, which is opposite of feeling uncertain. (Ibid)

A participatory communication also reduces the feeling of uncertainty among employees. When one says participation, it refers to decisions being shared between managers, decision makers and their subordinates, the employees. This type of communication allows employees to participate in the decision-making, which naturally increases their understanding of the change and its outcomes. The type of participation within the communication varies as it could be executed through different channels, methods and requirements. It could vary from formal, to informal or voluntary to mandatory. The effectiveness of this communication type will also depend on the extent of employee participation and how much effort is being put into it. Research strongly suggests that participation and being involved in change programs positively influences the outcome of the implementation efforts and employee attitudes towards organizational change. Employees that have been participating in such activities show much higher understanding of the decision-making process and have reduced feelings of uncertainty. (Ibid)

Communication by itself is not enough to fully diminish uncertainty among employees, which is the consequence of organizational change. Change managers need to use open communication and participatory communication methods in order to ensure reduction of uncertainty through achieving sense of control, acceptance and commitment from the employees. (Ibid)

2.3.2 Employee resistance

According to Aladwani (2001), a major contributor to organizational change implementation failure is employee resistance. Employee resistance to organizational change comes in numerous types, depending on the change type and circumstances. Sheth (1981), cited by Adel M. Aladwani (2001), provides a framework classifying types of resistance from users – in this case, employees of an organization – of new innovations such as new technologies or systems to be implemented. The two main sources the framework identifies are: perceived risk and habit. Perceived risk source comes from employees' "perception of the risk associated with the decision to adopt the innovation" (Aladwani 2001, pg. 269), while habit "refers to current practices that one is routinely doing" (Aladwani 2001, pg. 269).

Taking Sheth's (1981) identified resistance sources into consideration, Aladwani (2001) proposes a strategy to overcome employee resistance. The strategy proposed has a strong focus on communication as the core, strategy implementation phase for overcoming employee resistance and thus, executing a successful organizational change implementation process.

Figure 3: "A suggested framework for managing change associated with ERP" (Aladwani 2001, pg. 269)

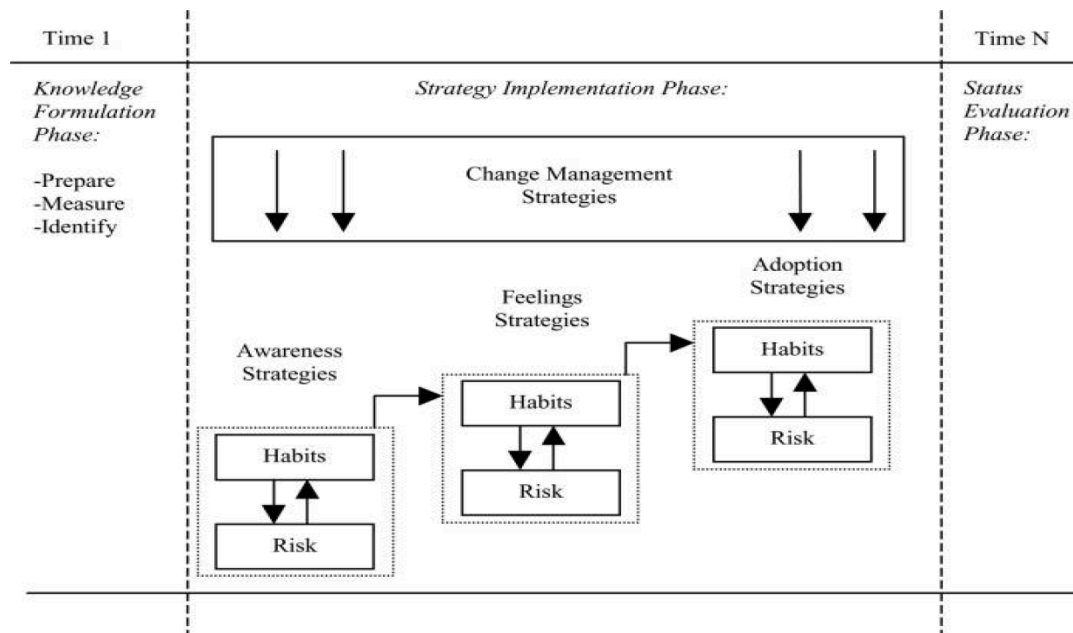


Figure 3 shows Aladwani's (2001) suggested framework that consists of three phases:

Phase 1. Knowledge formulation

During the first phase, the framework calls for the identification and evaluation of employees' attitudes (the users and influential groups in his example). The questions that the analysis should be able to answer are:

"Who are the resisting individuals and/or groups?"

"What are their needs?"

"What beliefs and values do they have?"

"What are their interests?" (Aladwani 2001, pg. 270)

The questions serve to identify the possible sources of resistance towards the change.

Phase 2. Strategy implementation phase

The strategy implementation phase involves an adoption process: think, feel and do. This phase involves communication that is vital for a successful implementation and

overcoming/changing employee attitudes. Instead of merely communicating the benefits of a product or other change to customers, top management should create awareness for the product/innovative change by communicating its benefits to employees, thus creating effective awareness. Building anticipation can be achieved through information and passing on knowledge about the deliverables of the product to not only the company but also the employees themselves. It is important to note, however, that unrealistic expectations should be avoided since it can increase resistance and just like the lack of communication, can also lead to failure. (Ibid)

Furthermore, still during the first step of the phase, providing a general description and information on how the change will work in practice is a communication strategy that will result in a more responsive workforce. Aladwani (2001) provides a comparison, explaining that just like a customer would hesitate purchasing a product they did not understand, so would employees (or users of a product) be hesitant and resistant to be open minded towards a new system they do not know how to use. Creating awareness about the product and educating employees of the usage is vital for avoiding resistance. (Ibid)

During the second step of the second phase, top management should focus on influencing “affective components of users’ attitudes” (Aladwani 2001, pg. 271). The first strategy in this step is: cost minimization, which means that the product has to minimize perceived cost for the employees, thus creating a positive attitude among the users towards adopting the product. The cost of the change employees have to go through in order to adapt the new product/system/innovative change, should be minimal and the outcome/opportunity for the employee should be heavily outweighing the cost, showing the upside of the change implementation. Perception of the product can also be increased, by highlighting the differentiation of the product to employees. (Ibid)

Building on the previous step’s educational aspect, top management can also drive the successful implementation through effective training so that the employees and users of the new product get practical experience and a thorough introduction to the new change they will have to work with. (Ibid)

Starting the third step involves the support and involvement of opinion leaders. Once opinion leaders and popular members of the organization participate effectively during the change implementation, and speak positively about the change, their colleagues will naturally become more open to the adaptation and less resistance will be present. (Ibid)

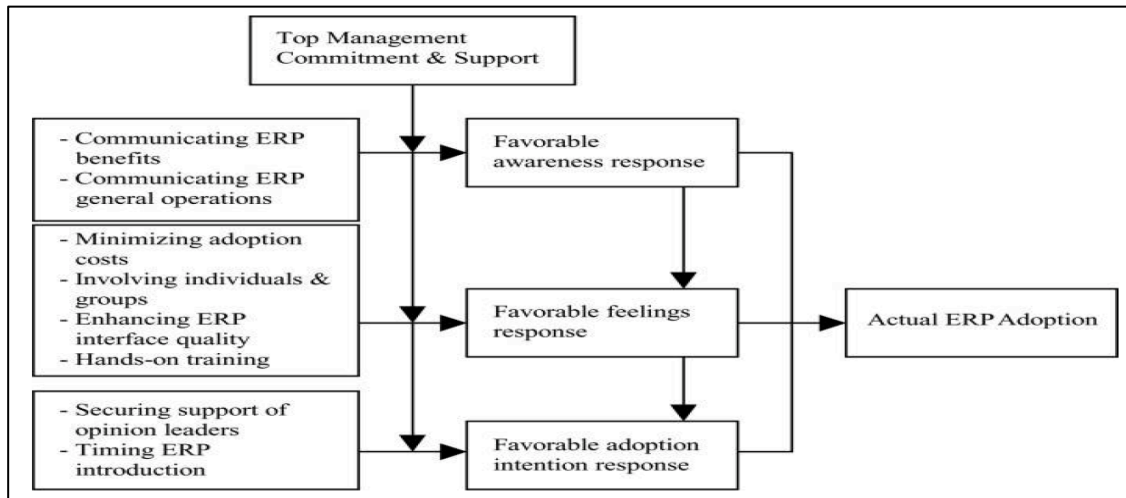
The introduction of the product is just as crucial, as a badly timed introduction can destroy the entire implementation process. The introduction should naturally be timed when there is already a positive attitude existing among employees. Furthermore, top management commitment is one aspect that is a must for successful implementation. Top management is the most significant facilitators in large-scale change initiatives, which cannot be implemented without the commitment from senior leaders of the organization. (Ibid)

Phase 3. Status evaluation phase

The last phase involves monitoring the progress of change management efforts, which involves evaluating and managing employees' possible anxieties and resistance. Depending on whether the feedback from the monitoring is positive or negative, management can either learn from a successful change implementation or might have to revisit and work on eliminating any problems that might have occurred or still be present. (Ibid)

Aladwani (2001) developed a model from his research that serves to provide an approach to successful ERP change adaption, which is also valuable to other change adoption strategies. The model he proposed, below, is intended for formal testing in the future.

Figure 4: "A model of successful ERP adoption" (Aladwani 2001, pg. 273)



The Figure above shows communication as the first action from change managers in order to arrive to the final Adaption stage. Even though communication is only directly mentioned in the first block, it is a requirement for achieving other favorable responses as well. For example, hand-on training, involving individuals & groups as well as securing support from opinion leaders all require effectively communications.

2.3.3 Employee commitment

Authors, such as Jane Turner et al. (2008), Meyer and Allen (1991) and Noble and Mokwa (1999), argue that employees' commitment to the organizational change, benefits and helps implementation of change initiatives, and is vital for successful organizational change management.

Meyer and Allen (1991) argue for a three-component model that explains organizational commitment on three levels.

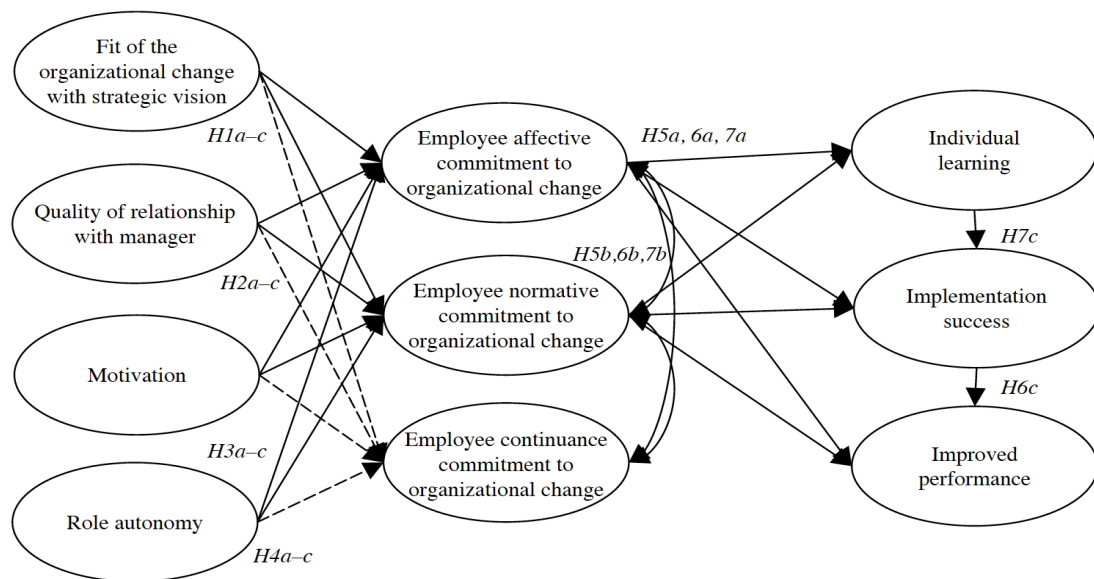
1. Affective Commitment - explained as "employee's emotional attachment to, identification with, and involvement in the organization"
2. Continuance Commitment – explained as "an awareness of the costs associated with leaving the organization"
3. Normative Commitment – explained as "a fleeing of obligation to continue employment" (Meyer & Allen 1991, pg. 67)

The first commitment type refers to a commitment due to the employee's desire to stay within the organization. The second type is a commitment arising from need, while the third from a sense of obligation. (Meyer & Allen 1991)

‘Affective Commitment’ associates positively to organizational outcomes, thus increasing employee commitment. ‘Normative Commitment’, while having a lower association than the Affective type, also has a positive correlation, second to the Affective Commitment. ‘Continuance Commitment’, however, has an unrelated or even negatively association to organizational outcomes by the employees. We can thus assume, based on Meyer and Allen's (1991) research that the two commitment types that are associated positively with change-related outcomes are the Affective and Normative commitment types.

Jane Turner et al. (2008) draws conclusions from both Meyer and Allen's (1991) commitment type components and, Novle and Mokwa's (1999) antecedents proposed to propose a model (Turner et al. 2008, pg. 6) that shows the connection between noted antecedents and employees' commitment to organizational change.

Figure 5: Hypothesized empirical model of antecedents and consequences of employee commitment to organizational change" (Turner et al. 2008, pg. 35)



Notes: —————> denotes positive path; - - - - -> denotes negative path

Seven antecedents were noted by Turner et al.'s (2008) model.

1. Fit of change with strategic organizational vision

The 'perceived fit with vision' antecedent is defined as "the degree to which a strategy being implemented is seen as congruent with the overall direction of the organization" (Turner et al. 2008, pg. 35). Thus, if employees of an organization believe a specific change initiative will be consistent or advance the organizational vision, they are more likely to want to commit to the change. Authors, such as Dvir et al. (2004) have found that sharing and forming an organizational vision with employees, positively affected the 'Affective commitment' level of employee commitment. Fit with vision also relates positively to employees' 'Normative' and 'Continuance' commitment to the organization. (Ibid)

2. Employee-Manager relationship quality

Turner et al. (2008) argues, that the way employees understand or interpret their organization's actions, is formed through the employees' relationship to the organization. There is a strong link between the quality and strength of an employee's relationship to their employer and the acceptance and involvement during a change initiative. Other scholars, such as Henning-Thurau et al. (2002) argue about the importance of three components when it comes to the relationship quality of an employee and their manager, and firm. These components are generally agreed upon by scholars and are not independent components but rather interrelated and linked. (Turner et al. 2008)

The three components are: satisfaction with the employer, commitment to the relationship with the employer and lastly, trust in the employer. The three components all relate to the overall 'Employee-Manager relationship quality'. Turner et al. (2008) defines the terms: commitment, trust and satisfaction, referring to scholars such as Morgan and Hunt (1994) and Churchill et al. (1985). Commitment as an employee's belief that the relationship justifies the effort put in to maintain and sustain it, trust being the confidence towards someone's reliability and integrity, and satisfaction from

the organizational relationship that the employee deems rewarding and fulfilling. (Turner et al. 2008)

Fulfilling the antecedent (so that the employees' trust, satisfaction and commitment is present) leads to the presence of a strong and good quality relationship with the manager/employer, which positively relates to both employees' 'Affective' and Normative' commitment to the organization and relates negatively to the 'Continuance Commitment' type. (Ibid)

3. Job motivation

Job motivation relates positively to the 'Affective' commitment type in a significant way, as the more motivated employees are towards their jobs, the more likely it is that they will also be committed to the organization, and as a result, the organizational change. However, job motivation does not relate much to other commitment types. (Ibid)

4. Role of autonomy

Autonomous behavior comes from the belief that one has the freedom to choose their actions and in terms of role autonomy, this refers to choice of actions and decisions relating to ones job. Role of autonomy is another positive influence towards commitment to the organization and change, as employees have or feel they have, an influence and impact over their job role during a workplace change. Research found, that role of autonomy related positively to 'Affective' commitment, negatively to 'Continuance' commitment and did not relate at all to 'Normative' commitment. (Ibid)

5. Perceived improvements to organization

Improvements are defined as both financial (such as: returns on sales, investment and assets) and non-financial (such as: customer satisfaction, customer loyalty, market share) effects on the performance of the organization. The 'Affective' commitment type related positively to perceived improvements to the organizational performance. (Ibid)

6. Perceived change implementation success

When talking about implementation success, both managerial and non-managerial perspectives are valuable to consider. Research has often focused on the managerial perspectives without taking into consideration the other - even though lack of employee commitment influences change implementation outcomes. Perceived implementation success is positively related to the previous antecedent, perceived improvements to organizational performance, and is only significantly related to the 'Affective' commitment type. (Ibid)

7. Individual learning

Just as perceived change success relates positively to perceived improvements to organizational performance, individual learning is positively related to perceived implementation success. 'Affective' and 'Normative' employee commitment both relate positively to individual learning, as an employee is more likely to learn, and want to learn, from the change process, the more they are committed to the organizational change. (Ibid)

Turner et al.'s (2008) study showed that the largest correlation was found between the change implementation success and improved organizational performance. Similar to previous studies (for example Sinclair et al. 2005), the research concluded and established that Affective commitment is, at least in a moderate level, needed for a successful/desired implementation outcome and that the factors that are relating to Affective commitment – which represent employees' emotional attachment, identification and involvement - aid in influencing the employees' commitment to organizational change.

2.3.4 Employee Attitudes Summary: influencing attitudes through internal communication

After reviewing internal communications from the employee's perspective, it's important to understand what is it exactly that we want to achieve or avoid with the

internal communication to the employees during organizational change, so that it can be used to formulate and deliver successful and effective internal communication.

Taking into consideration the previous chapters that discussed change types, change management and internal communications, this last chapter has brought it all together to identify three important employee attitudes. The three employee attitudes are significant to the successful implementation of change. Two of them to be reduced and avoided: uncertainty and resistance, and one to be strived for and hope to achieve: commitment.

Internal communication should focus on three sources of uncertainty: strategic, structural and job related. (Bordia et al. 2004) When dealing with resistance, it is vital to understand who is resisting and why they are resisting, through asking the right questions. Two sources of resistance is the perceived risk and changing of habits (Aladwani 2001), both which can be addressed through communication.

Commitment is essential to achieve as it helps secure and aid the successful change management. Organizations striving for employee commitment should direct efforts towards achieving ‘Affective commitment’ which is the most essential commitment type associating positively to organizational outcomes, as it focuses on the employees identification with the organization. (Meyer & Allen 1991) Such identification, as discussed earlier in this paper, leads to employees feeling more satisfied, committed and showing supportive behavior (Cornelissen 2014). The antecedents discussed above, (Turner et al. 2008) should be supported by the internal communication’s actions and direction towards employees to achieve commitment.

2.4 Theoretical Framework: Propositions

Following a thorough analysis of the above discussed literature, certain propositions can be put forth for how internal communication should be formulated and delivered to employees in practice to successfully manage organizational change. Below, various theories and frameworks have been integrated from the literature reviewed in the previous chapters, to present communication propositions during change management and implementation.

The propositions proposed allow us to hypothesize about the two underlying questions of this paper: how should internal communication be formulated and delivered to employees and how can change managers use internal communications in subsidiaries to begin solving issues they face?

Table 3's propositions, put forth by combining existing theories and frameworks of successful change management and internal communication, should be read from left to right. For example, the first proposition is:

To avoid uncertainty, "internal communication with employees should" explain strategic reasoning of the organization behind the change as soon as possible.

Table 3: Propositions for internal communication delivery and formulation to employees during organizational change at a MNC

Avoid	Uncertainty	P 1. explain the strategic reasoning for the organization change as soon as possible
		P 2. explain the effect the change has on employee's job role, tasks and responsibilities clearly
		P 3. use several channels and methods of communication
	Resistance	P 4. involve employees in two-way communication throughout change process
		P 5. provide clear guidelines on how to proceed within the context of the change
Achieve	Commitment	P 6. ask for direct feedback from employees regarding the change and its process
		P 7. be delivered by direct management, who communicate how the change's benefits and how it fits in with the organizational vision.
		P 8. discuss change in the context of employees' individual jobs in a positive light

The propositions suggested are divided into two objectives, to avoid and to achieve, through internal communication. Within these two objectives, the sections are divided into different desired outcomes that aid in a successful change implementation. For aversion, the desired outcome is to avoid uncertainty and resistance from employees. Meanwhile for achievement, the desired outcome is employee commitment to the change and organization as a whole. Each desired outcome requires a different

communication proposition to be adapted during communication with employees during change management.

Objective: To avoid uncertainty

Proposition 1. *Communication should explain strategic reasoning for the organizational change as soon as possible.*

Uncertainty is to be tackled by firstly, explaining the strategic related factors in relation to the change. Through explaining the organizational changes' fit within the organizations' vision and long term objectives, employees can understand why the change is taking place from a 'big picture' view, and thus, it can reduce uncertainty about the change itself.

Proposition 2. *Communication should explain the effect the change has on employee's job role, tasks and responsibilities clearly.*

One major trigger of uncertainty comes from an employee's uncertainty about their own job role and what relates to it. In order to reduce this uncertainty, any factors regarding the employee's job that might be affected should not only be noted but also explained in detail. Once employees are aware and informed about their jobs and changes have been transparently communicated, uncertainty about the organizational change will be reduced.

Proposition 3. *Communication should use several channels and methods of communication.*

While face-to-face communication is deemed most appropriate and effective means of internal communicating with employees, different channels and methods should be deployed during change management. This is so that employees can receive the relevant information regarding the change via different styles to support understanding of the message, and facilitate the change process without seeming to overwhelm the target with one specific communication method. Face-to-face communication should also be

present and an emphasized communication medium; however, it is not enough as a stand-alone approach.

Objective: To avoid resistance

Proposition 4. *Communication should involve employees in two-way communication throughout change process.*

Two-way communication would develop the feeling of participatory decision making from the employee's perspective, while increasing organizational identification as well. In addition to allowing employees to voice their opinion and engage in discussions, the role of a two-way communication is to recognize any existing resistance from employees in order to tackle their sources immediately. It is important to keep two-way communication active throughout the entire process of change, from the planning stage, to the implementation and throughout the monitoring phase.

Proposition 5. *Communication should provide clear guidelines on how to proceed within the context of the change.*

To reduce resistance and encourage more responsiveness from employees, internal communications need to be clear on the phases and steps the change will involve, relating directly to them. Employees should be informed of what will happen and how it will happen from their perspective, so they can prepare themselves and reduce resistance when the time comes that actions from employees are needed and change is being implemented.

Objective: To achieve commitment

Proposition 6. *Communication should ask for direct feedback from employees regarding the change and its process.*

In order to achieve commitment, we have to look at the bigger goals of internal communication and its nature. Employees being increasingly 'voiced' stakeholders, need to be given the ability to voice their concerns and feel heard. Thus, by asking for

feedback, employees can feel in control of their jobs. Furthermore, they also feel included and more committed to the change, since they have had the sense that they could influence it, even if specific feedback is not implemented.

Proposition 7. *Communication should be delivered by direct management, who communicate how the change's benefits and how it fits in with the organizational vision.*

By informing employees about the benefits of the change to the entire organization through a reliable and justified individual who is the direct manager of the employee, we can achieve affective commitment to the organizational change. This is due to the fact that it provides information from a credible source and positively affects the perception of improvement to the organization.

Proposition 8. *Communication should discuss change in the context of employees' individual jobs in a positive light,*

Effective and positive awareness about how an employee's job specification will change increases commitment from employees.

As seen from the propositions, a number of approaches and frameworks reviewed overlap and discuss the same techniques. They can be separated into sections according to what the change management and communication team wants to achieve or avoid through the internal communication and guide in the formulation and delivery of messages in practice, in order to successfully manage organizational change.

3. RESEARCH METHOD

3.1 Approach

This Master's Thesis is an international study of a KONE's Australian subsidiary/local head office's internal communication actions with employees during organizational change. The research began with a thorough literature review of several aspects relating to the topic. The relevant scholars in change management were looked at and the paper

aimed to find the most influential and read literature on internal communications during change. Following the more broad research, the topic was narrowed down from the wider issue to employee communication during and within change management.

For the empirical work, the research focused on my time in Australia last fall where I completed my international traineeship at KONE Australia and New Zealand (KEA). The local subsidiary, KEA, presented itself to be a suitable environment to gather empirical data on change management practices in a local subsidiary of an MNC. As I positioned myself as an “insider” of sorts, as an employed trainee, the paper includes a descriptive tone, as I could not realistically distance myself from the internal activities and perspectives that were exposed to me. Thus, the data gathered was deliberately influenced by my experiences and interactions with the interviewees. The completed interviews were focused on the change communication in practice with employees at KEA and took into consideration the context of the subsidiary within the KONE MNC as a whole.

The value from researching a subsidiary of a MNC, as opposed to the global head office, was multiple. First of all, I was exposed to a different working culture meaning I could re-position myself as an outsider, having to pay more attention to understand how things were done at the subsidiary. Second, and most importantly, there was a difference between how a global office of a MNC plans strategy, change projects and processes in general and how they are implemented in local offices/subsidiaries. Looking at a local office, thus, gave me an opportunity to see how researching a subsidiary within an MNC provides the research specific value and insight on how companies operate on a practical level versus how the strategy is defined on the top, global level. Global head offices are often creators of the strategy, and the subsidiaries are the ones implementing the strategy in practice.

3.2 Interviews

3.2.1 Interviews as data collection method

When considering research methods, interviews were identified as the main method for collecting qualitative data from the selected professionals at KONE Australia and New

Zealand. Interviews are the most common data collection method used in qualitative research and include numerous forms depending on the research approach. (Cassell & Symon 2004)

“The goal of any qualitative research interview is therefore to see the research topic from the perspective of the interviewee, and to understand how and why they come to have this particular perspective” (Cassell & Symon 2004, pg. 11)

The above quote – characterizing qualitative interviews – reflects the reasoning behind the decision to pursue interviews as the method of data collection. Interviews seemed the best approach as it allowed for depth and detail in data collection while also giving the chance to ask follow up questions.

According to Cassel and Symon (2004), the features of a qualitative interview are: low structure, open questions and a focus on a specific situation or actions within the interviewee’s reality. In addition, the interviewer-interviewee relationship is essential for qualitative interviews as researchers understand that this relationship is part of the research and not a barrier or distraction to overcome. This approach that sees the interviewee as a “participant”, is different from quantitative studies that see the interviewees as “subjects”. (Ibid) The qualitative approach aligns with this paper’s data collection needs as I, as the researcher, have had a relationship with the interviewees’ due to the international trainee position at the firm.

While there are many forms and features of qualitative research interviews, the interviews carried out for this paper were conducted face-to face. The length varied depending on availability, question depth and the relevance of the person’s position (e.g. change manager had a longer interview than HR, as they were able to elaborate more on my highlighted questions), however, the average length was around 45 minutes.

The interviews were ‘realist interviews’ as interviewees are provided information about the happenings of the organization outside the interview setting. The aim was to gather data about the accounts and actions of the organization in change management and

communication context, and to compare the data from one interview to another and factual information about the firm. Many questions remained the same, with only little adjustments in order to make it the most relevant for each participant's position and knowledge – however, the main aim and objective was to find out the same issues in each interview. While usually realistic interviews have more interview participants, (Ibid) this paper aims to find information about a specific organizational setting: KONE, and specific topic area within the organization: communication during change management. Relevant professionals were chosen for the interviews that deal with the topic area the closest in the subsidiary, which makes them the best possible source of information regarding the topic.

3.2.2 Interviewee Participants and Ethics

The participants were Human Resources (HR), Change and Communication professionals at KONE Australia & New Zealand. In total, five people were interviewed. In order to respect the privacy of the interviewees, they have been numbered in the order of interviews, from 1 to 5 and will be referred to by the first initial of their first names from now onwards. The interviewees were informed that their names will remain anonymous, however, their titles will be public considering the relevance to the information they provide, to represent their expertise and knowledge in the given area.

The interviewees were:

1. Interviewee #1: **“D”** - Marketing and Communications Specialist, Key User. September 11, 2015, KEA HOD Australia, Length: 49 minutes
2. Interviewee #2: **“J”** - Marketing and Communications Manager. September 24, 2015, KEA HOD Australia, Length: 51 minutes
3. Interviewee #3: **“U”** - HR Generalist. September 29, 2015, KEA HOD Australia, Length: 45 minutes
4. Interviewee #4: **“K”** - Senior HR Specialist. October 8, 2015, KEA HOD Australia, Length: 39 minutes

5. Interviewee #5: “S” - Change Manager, October 14, 2015, KEA HOD Australia, Length: 51 minutes

Due to my own participation in the research, I list myself as a participant as well:

6. **Keren Shoch:** Marketing and Communication Specialist (International Trainee Program), July – November 2015. KEA HOD Australia

The topic, purpose and objective of the study were also discussed with the interviewees both formally and informally. An email was sent out with the official interview invitation to each participant that explained the above. Furthermore, the interview was started off by an informal chat (also due to the nature of my relationship with the interviewees as they were colleagues) where the topic, purpose, objective and confidentiality matters were repeated and confirmed to be understood.

The five professionals interviewed were chosen due to their job descriptions and role at KEA. The change team at KEA consisted of three people but due to employee turnover it now consisted of “S” and partly “D”. This team, to my understanding, will be filled in a later stage when the correct candidate is found, however, at this point these two professionals were the official change team at KEA. The communication team consisted of “J”, “D” (who is also part of the change team) and myself as a trainee; thus, the two were the closest to internal communication matters. Other professionals that took part in change management and internal communication matters were from the Human Resources department. This department consisted of five people, but due to the busy timing, I was able to interview only two of them. “U” and “K” gave the research an HR perspective as, while they were not always directly involved with change and communication like the team members of the departments were, their job required them to keep tabs and understand what was happening concerning the employees of KEA and took part in the communication formulation and delivery often. Thus, their input was just as vital for understanding the issues in more depth and from a wider perspective.

As will be discussed further in the findings chapter, it is important to note that change management at KEA is a cross-functional/departmental role. Even though the official

change team consisted of a few people, the people involved in the change and its communication was not limited to this specific team. Furthermore, the change team members had other roles besides managing change at KEA.

As the focus of this research was the formulation and delivery of internal communications to employees, the interviews did not include employees who would be on the receiving end of the internal communications but the professionals who were in charge of the change management and internal communication actions. The employee's reactions and feelings were only known from the interviewees' knowledge to how employees reacted and were influenced by it, and myself as an employee of the subsidiary for the duration of the traineeship. While bringing limitations to the paper discussed in detail in chapter 6, this method is suitable for answering the research questions of this paper. It also provides grounds for further research in the future, discussed also in chapter 6, to understand the receivers of the internal communication during change in more depth.

3.2.3 Interview Questions & Structure

The questions were broken down into three parts, representing the topic area of the questions:

1) KEA in the MNC context

In this part, the questions focused on KEA as a subsidiary within the KONE multinational context. As KONE is one of the largest escalator and elevator multinational in the world, it is important to gain an understanding of how the interviewees see the subsidiary in relation to the company as a whole.

2) KONE & KEA Change management

Questions here aimed to find out how change management was executed in KONE and its subsidiaries KEA and how this worked in practice.

3) KEA Corporate and Change communications

The final question topic area raised questions about the corporate communications as well as internal communication with employees in practice during change, and change implementation.

The aim of the interviews was to understand this local subsidiary's actions and practices during change management and how they communicate with employees. I wanted to understand how these practices happen in theory (on paper) versus in practice when it comes down to execution on the subsidiary level.

The interviews began with a minute or two of small talk and then a clearly stated topic introduction and purpose of the interviews and how the data will be used. The first minutes of the interview was used for small talk so the participants would have time to settle in the meeting rooms and give time for them to switch gears from the daily workload to the interview setting. The first set of questions were simple to answer with not much difficulty or emotional weight to ease them into the interview and give them a relaxed setting. (Cassel and Symon 2004) The questions then moved on to increasingly topic specific questions that involved personal opinion and self-analysis of the organization they worked for. The interview ended on a light note, also giving the participants the chance to fill in any details or say out loud any additional thoughts or opinions they had on the topic. (Ibid)

3.3 Ethno-method

By putting myself in-to the situation, due to being a part of the organization for four months while conducting the interviews, I had become part of the research – seeing everyday business practices, attitudes, behaviors, and internal processes being done. Getting to know fellow coworkers and the people interviewed, provided the ability to understand their facial expressions, language and underlying message in many cases. This thought process lead to the research of the “ethnographic method” and its relevance for this paper.

The first stop was action research, otherwise known as participatory action research (Berg 2004). This method has been popular, mainly among educational research. Bruce L. Berg, describes action research as:

“A viable, practical strategy for social science studies requiring systematic, organized, and reflective investigation” (Berg 2004, pg. 196)

He continues to describe this method as one of the few approaches that:

“Embraces principles of participation, reflection, empowerment and emancipation of people and groups interesting in improving their social situation of condition”. (Berg 2004, pg. 196).

This paper was not a social study, however, it sought to find key propositions for change management implementation at the MNC subsidiary level, based on KEA's actions and practices, and could possibly add a descriptive personal perspective tone to the data and findings through reflection.

Berg identifies four stages in the action research spiral process (Berg 2004, pg. 198).

1. Identifying the Research Questions
2. Gathering the information to answer the questions
3. Analyzing and interpreting the information
4. Sharing the Results with the Participants

Action research did not specifically align with the research needs of the paper, as it did not seek to solve a problem specifically from the interviewees' perspective. The aim was to shed light to the change implementation practices within the subsidiary and come to a conclusion on propositions.

Thus, my attention turned to Ethnography and Ethnomethodology. Both EM (ethnomethodology) and EG (ethnography) are informed by the interpretive tradition, understand the significance of the 'social actor's' and lived world's importance and usually avoids using quantitative/theoretical approaches. The two seem similar from a

‘distance’, as the Atkinson et al. (2007) put it, but are not congenial. (Atkinson et al. 2007)

3.3.1 Ethnomethodology: Background

Despite ethnomethodology’s (EM) aspirations to become the theory of social action, it ignored important aspects of ‘the organization of social life’. For example, while it emphasized shared, internalized norms as explanation for patterned social behavior, it also disregarded judgments created. (Atkinson et al. 2007) EM focused on participants:

“...the orderliness of social life as experiences, constructed and used from within the concrete and particular context and activities of which the society is composed”

(Atkinson et al. 2007, pg. 119)

Initially developed to be a mixture of exhibits and arguments, focusing on skills, practices and assumptions within a social setting and their “deployment” in temporary occurring activity. (Atkinson et al. 2007) There is diversity within the focus and methods but overall, EM studies are guided by “an overlapping set of ideas and directives”:

1. Constructive Analysis:

This analysis type is embodied in various methods of the social sciences. Inevitably, social scientific techniques for analyzing data, transforms and reduces features of ‘the lifeworld’. For example, surveys, interviews, experiments and conventional EG even, provide a pre-defined definition of sorts of the patterns and order – having a weak relation to the “actual concerns and doings of practitioners/participants, the article argues. This leads to details being hidden, ignored or unrecognized. (Ibid)

2. Endogenous Order

Atkinson et al. (2007) state that while EM is criticized of the constructive analysis part of the method, it also appreciated for its endogenous or in other words, ‘lived order’. ‘Lived order’ is defined by the authors as:

“How participants in the diverse, temporally developing, concrete circumstances comprising ‘the society’ concertedlly organize, recognize, use and achieve whatever they regard or define as sensible, rational, intelligible or orderly” (Atkinson et al. 2007, pg. 120)

The EM argues that society is constructed through continuously occurring and unfolding actions through which people interact with each other, topics and objects if they are perceived as relevant topics. Thus, the analysis of endogenous order focuses on the detailed empirical examination of the “detailed and observable practices which make up the incarnate production of ordinary social facts” (Lynch, cited by Atkinson et al. 2007, pg. 120).

3. Accountable Features

“Accountable feature refers to the features of a setting as and in the ways they are oriented to and sustained in interactions, practices and experience” (Garfinkel, cited by Atkinson et al. 2007, pg. 120). This approach directs the researcher to focus on aspects the participants themselves take into account. Instead of focusing on what participants might consider, focus is on factors that are relevant, or as the authors describes them: “sanctionably, consequentially or warantably invoked” (Atkinson et al. 2007, pg. 120) Accountability implies that members construct their activities so that they are identifiable and/or intelligible - meaning any process or action is a result of members constructing activities in a certain way. (Atkinson et al. 2007)

4. Ethno-methodological Indifference

EM does not take part in ‘evaluative or ironic’ analysis of the subjects it researches. The origins of the practices come from researchers studying non-Western societies, not wanting to make comparisons to Western understanding of issues, in a wide range of ethno-studies. With this in mind, Garfinkel (1974) created ‘ethnomethodology’ so that it could identify knowledge and practices (or “methods) used by people (the actors) in an everyday setting. (Atkinson et al. 2007)

Thus the main aim of ethnomethod was created, to remain indifferent to “the ultimate value or validity of members’ methods” (Atkinson et al. 2007, pg. 120) It’s limitation was that it did not fit well with academic and scientific models of rational action. What this actually means is that EM researchers aim to “refrain from assessing correctness, appropriateness or adequacy in articulating the practices and organization of the endogenous order” (Atkinson et al. 2007, pg. 120)

5. Resource and Topic

Zimmerman and Pollner (1970) argue that one of the dangers in studying ‘lived order’ is that the practices are taken for granted – meaning that topics that in some cases might be studied and researched in depth, might become a given or used as a ‘given’ in another analysis. They argue that there is confusion between sociological and common sense concepts, which in turn have an impact on the study of social life – the concepts need to be explained to the audience, without deeming it ‘common sense’ automatically. (Atkinson et al. 2007)

6. Making the Familiar Strange

According to Granfinkel (1967) actors are not interested how order was achieved and what practices were used to achieve it and EM uses this. As an example, Atkinson et al. (2007) cites Robillard’s (1999) experiment where he shows that your speech defects once you cant hear your own voice almost instantly, disrupting ordinary bodily feedback. (Atkinson et al.2007)

7. Reflexivity

“Refers to the simultaneously embedded and constitutive character of actions, talk and understanding.” (Atkinson et al. 2007, pg. 121)

Reflexivity understands that ethnomethodological concepts and studies are examinable, and refers to the “ethno” part in ethnomethodology – meaning it takes into account all members of an activity (not just ‘lay members’) but ethnomethodologists

themselves. It recognizes that EM concepts and empirical studies are examinable. (Atkinson et al. 2007)

8. The Unique Adequacy Requirement

Since the development of the EM concept, emphasis has been put on,

“Active participation and the acquisition of indigenous skills and knowledge as means of capturing the lived order” (Bellman & Jules-Rosette, cited by Atkinson et al 2007, pg. 123)

The argument for this practice is that the researcher has to put themselves within the setting it is researching, and has to participate in order to understand the ‘distinctive features’.

In other words, Granfinkel and Wieder described this concept as:

“...for the analyst to recognize, or identify, or follow the development of, or describe phenomena of order in local production of coherent detail the analyst must be vulgarly competent in the local production and reflexively natural accountability of the phenomenon of order he is ‘studying’” (Granfinkle & Wieder, cited by Atkinson et al. 2007, pg. 123)

3.3.2 Ethnography & Ethnomethod

Both EM and EG argue that involvement in the setting/activity is indispensable for understanding local meaning and action. However, EM’s most common method consist of talk that occurs naturally between people.

Significant differences remain, however,

“Because EM does not speak in a single voice” (Maynard & Clayman, cited by Atkinson et al. 2007, pg. 123)

Some of the dangers and limitations of EM is becoming too involved in the setting or identifying with member's concerns and perspectives – this limitation should be kept in mind and analyzed while using the method, using it as a 'reflexive move', and the limitation itself can become an "object of attention" as the author puts it. Its important to keep in mind the different versions of EM. The EM study has changed from a focus on 'everyday' setting to a more scientific activity – which has also changed the nature and point of inquiry in EM. (Atkinson et al. 2007)

Recent EM focuses on 'living' the lived order – meaning the researcher puts themselves into the happenings and ignore external factors, which encourages the researchers to engage actors in the lived order without any distance. (Ibid)

3.3.3 Criticism by EM and its Limitations

Few of the criticisms noted by Atkinson et al. (2007, pg. 124) are that:

- EM holds that EG is too close to the setting of the study that it might miss the "taken-for-granted" practices and features of lived order
- EM argues that EG practices too distant from "social worlds" it studies, leading to the inability to "recover the lived order"
- EM finds that EG's inattention/unwillingness to examine its own essential assumptions/procedures "the eye does not see itself"

To conclude, EM argues EG does not go far enough as it keeps its distance because it is too committed to sociology and to the study to recover the lived order. EM also argues that while being too far, focused on the study, EG is also too close to the 'life world', as the practices within it 'elude' EG as it partakes in the same practices and activities. (Atkinson et al. 2007)

3.4 Usage of "I" in a Master's Thesis

"The days are long past when scientists and social scientists were absolutely forbidden to use the word 'I' in their academic publications" (Sword 2009, pg. 329)

Helen Sword highlights that out of an analysis of 100 articles, chosen from six top-ranked higher education journals, only a “handful” exhibit a few or any characteristics that academics deem to be effective and engaging writing, which is described as

“...Express complex ideas clearly and succinctly; write with originality, imagination and creative flair; convey enthusiasm, commitment and a strong sense of self; tap into a wide range of intellectual interests; avoid excessive jargon; employ plenty of concrete examples and illustrations; demonstrate care for their readers; and know how to tell a good story.” (Sword 2009, pg. 319)

Reading the description, I find myself relating to the issue as a student in higher education who struggled to find academic articles in the field of study that reflected these characteristics. From a personal perspective, articles that are told from the first person provide an instant connection to the reader as the tone transforms into a more ‘familiar’ and ‘personal’ one. While fellow classmates shared their frustration with understanding most academic articles, written in a difficult manner, one wonders why most journals are still written in a way that even a fluent speaker such as myself, studying in English since the age of twelve, has a beyond frustrating experience reading most, or at least many renown academic articles, feeling defeated by the academic circles.

From this frustration, came the drift towards academic literature pieces with a personal style and story centric approach. Helen Sword’s (2009) article resonates for the very same reason, and provides confidence to readers, to write in the style they choose to.

Helen Sword’s (2009) research revealed that there is a clear distinction between what academics say is “stylish writing” and what they actually produce and publish. She brings up a common dilemma; even if academics want to write in a certain style, they might refrain from doing so in order to ensure acceptance and publish success. Personally I, together with a number of fellow university students, are able to resonate with this issue as often one might find themselves between wanting to write something not only enjoyable but also deemed interesting and engaging, while ensuring that the result receives an acceptable grade despite of the unusual and unused style. While

contemplating on the style of this Master Thesis, considered both styles and the fact that there are a significant number of academics approving Helen Sword's argument as well, I chose to follow my own preferences of including a 'personal perspective' to the tone.

Helen Sword's (2009) research is presented in two different styles in her article, to show the two different styles of writing. The second approach presented itself as more engaging, but furthermore, it was also easier to comprehend, while it did not lose any of the 'depth' of writing (if anything, it added to it).

She also addresses the "voice" aspect of a writing in her section on "Voice: Does the author write with an individualistic voice?", which was one of the characteristics of what she established to be a "good" piece through her survey. Sword (2009) addresses the usage of individualistic voice in this section – her study showed that while the common understanding is that using "I" in academic writing is no longer a taboo, academics still do not use it in practice, trying to avoid it – when it was used, it was used "impersonally" and "sparingly" according to Sword. The ratings for this characteristic of what Sword's research deemed a good academic piece were surprisingly low. (Sword 2009)

There was a mere 14% of papers that achieved a "to some extent" score to the question: Does the author write with an individualistic voice and a shocking 6% received a "yes". Sword explains this phenomenon through a myth that holds the equation: "Impersonal = Objective = Scientifically superior" to pieces with a personal and individualistic voice. (Sword 2009)

Thus, including the usage of "I" when appropriate and not writing from a sole third person point of view, is not only justifiable but should be embraced as it reflects personal preference and personality, and will ensure the ability to express research results, experiences and discussion in an effective, transparent and, hopefully, an engaging way to the intended audience. The style of research Sword (2009) talks about, including the usage of personal pronoun, fits into the form of research this Master's Thesis entails, as I am putting myself into the research as described in the previous section.

4. EMPIRICAL FINDINGS

4.1 KONE Introduction

KONE was founded in 1910 and has been on the Helsinki Stock Exchange since 1967. While the company's focus was specifically on the Finnish elevator market, this focus shifted at the end of the 1960's, this starting KONE's long journey of acquisitions. The company started with acquiring other elevator companies in Scandinavian companies and sped up its acquisition in the 1970's. The company started buying elevator companies throughout Europe and North America by then. (KONE in brief)

Currently, around 47,000 employees work for KONE across 1000 offices in close to 60 countries. Seven global production sites and eight R&D centers are located throughout KONE's main markets. This makes the company one of the top three players in the lift industry worldwide – providing innovative and industry leading products and solutions as global leaders. (Ibid)

KONE customers consist of: builders, building owners, facility managers and developers, however, additional key parties play a role in the decision making process regarding elevators and escalators who are: architects, authorities and consultants. (Ibid)

A very clearly defined and promoted objective of KONE is to offer the best People Flow™ experience, a phrase they have copyrighted. KONE seeks to deliver the People Flow experience through solutions that enable smooth, safe and comfortable movement in buildings and other urban environments. KONE's People Flow™ experience entails three perspectives focusing on end users, customers and solutions for different building types. (People flow)

4.1.1 Global KONE Strategy

Megatrends – KONE promotes four major trends that drive their business and according to which their products and services are developed:

The first and most important megatrend according to KONE is Urbanization. This trend is labeled as the driver of demand as “for the first time in history, an equal number of people live in urban and rural areas”. Demographical Change (called aging population in the past) is the second megatrend that KONE states, is changing. This megatrend highlights two aspects: the fact that the population is ageing, thus raising the importance of accessibility in urban infrastructure and environments, and also that the middle-income earners are increasing, leading to not only higher standards of living but also expectance of more specious and better-equipped apartments. (Business environment)

KONE’s third megatrend is Safety, as urban infrastructures keep aging in some markets. The company sees safety as one of their key drivers for the industry as safe and functioning equipment is a priority not only for consumers but also authorities. As the demand for energy efficient solutions and green buildings is becoming not only more common but also more important for customers, KONE’s last megatrend is Environment. KONE aims for sustainable urban building, which means improved energy efficiency when it comes to building practices, using sustainable material and reducing negative impacts on the environment. (Ibid)

The targets KONE aim to reach:

- Most loyal customers
- Great place to work
- Faster than market growth
- Best financial development
- Leader in sustainability

KONE Prioritizes Quality and Safety in all internal and external communication and branding. (Ibid)

Values – KONE describes its values as a behavioral guide for employees in order to achieve strategy set out. The first value is Delighting the customer, which is practiced by aiming to achieve their success, staying with them for the total life cycle of products and services and work with them to identify as well as deliver solutions beyond expectations. Energy for renewal is a value that focuses on anticipating and adapting to

changing requirements and seeking for smarter ways of working. Passion for performance, the third value entails keeping promises, driving new ideas to realization with speed and customer-driven quality. The last KONE value is Winning together which aims to encourage participation, information and idea sharing while promoting trust, respect and good performance recognition. (Values)

4.1.2 KEA as a subsidiary

The local subsidiary in Australia and New Zealand, named KONE Elevators Pty Ltd is more commonly known as KEA. The company has in fact existed in one form or another since 1889 already. In 1986 KONE gained financial interest in the company, then called Elevators Pty Ltd (EPL) and in 1990 assumed full ownership.

The current KEA Management consists of a Managing Director, 2 Directors services, 1 per service segment (SEB and NEB & TRB), a Financial Director and HR Director. The KEA head office (HOD) is located in Sydney and other regions of KEA consist of: Newcastle, Canberra, Melbourne, Brisbane, Gold Coast, Adelaide, Perth and Auckland, New Zealand.

4.1.3 Change and Communication team at KEA

KONE Australia and New Zealand's communication experts are found in the Marketing and Communications department that sits at the KEA head office in Sydney. The size of the department varies depending on internal employee turnover and candidates. At the time of my arrival, the department consisted of "J" the Marketing and Communications manager and "D" who was the Marketing and Communications Specialist, and myself, who also acted as a Marketing and Communication Specialist but under the 'International Trainee Program' that KONE does yearly.

As the department is not solely focused on internal communication but also marketing and external communication, the role entails a wide spectrum of responsibilities and objectives as my job description reflected:

“The Marketing and Communications Specialist supports the achievement of KONE’s business objectives by ensuring that KONE utilizes organization-wide marketing and communications processes. The specialist will work with the team to improve the organization’s competitive position.

They execute communication activities in order to enhance the organization’s reputation with the public, the media and employees and provide content for public relations.

This role description applies to Marketing and Communications Specialist in any part of KONE (i.e. Marketing Communications, Internal Communications, External Communications and Public Relations, Business Intelligence, Brand & Event etc).”

Focusing on the internal communications tasks within the department, the goal was to support KEA and KONE’s objectives through internal communication. This meant communicating company vision, strategic development programs to employees, applying the organization’s internal communication practices and processes to convey messages and engage employees on the front line. Furthermore, in relation to change management, to communicate through different methods and tools to carry out change management strategies and develop the content of this communication including formatting, styling and language use. This includes the delivery and formulation of internal communications to employees and choosing the tools and mediums through which to do so – at instance of change management, this is done together with the change team.

The change team consisted of two people, who had different roles on top of their change management role. “S” was the change manager for KEA and while he was officially located at the head office, he was there 20% of his time. The remaining time was spent traveling to other offices to assist and guide change initiatives. As the change team has quite a unique set up, more will be discussed in the findings, as the structure was not as straight forward at my arrival as other departments, such as the Human Resource department, which consisted of five people and took part in the change and marketing and communication activities as well.

4.2 FINDINGS

The findings were broken down into five parts, keeping in mind the initial topic area breakdown during the construction of the interview questions:

- 1) KEA in the MNC context
- 2) KONE & KEA Change management
- 3) KEA Corporate and Change communications

While the main structure of the findings is similar, the third topic is broken down into two parts: corporate communications and internal communications during change, in order to differentiate between the daily corporate communication actions at the MNC and its subsidiary and communication actions during a change initiative. A reflection section was also added on the overall practices, which summarizes the key take away's, strengths and weaknesses of the organizational actions in the context of change management and internal communication with employees. The structure of the findings will thus follow the following order:

- 1) Subsidiary Structure and relationship with the headquarter
- 2) Overall Corporate Communication within KONE
- 3) Change Management process and actions in KEA
- 4) Internal Communication during change

And finally...

- 5) Reflection on the overall practices of KEA

As previously discussed, these participants will be referred to by their "first initials", in order to remain anonymous.

4.2.1 Subsidiary Structure (KEA within the MNC)

KEA within KONE has a standard, parent company structure where in the same way as KEA Sydney is the head office for the KEA region (Australia and New Zealand) so is

KONE headquarters in Helsinki the head office globally for all regions. KEA is ‘free’ to run the business as the subsidiary deems fit, “U” explains, within the framework and structure KONE has set out globally as the MNC practices and processes, and the guidance they receive from what works in other subsidiaries and how certain business aspects should be operating.

The subsidiary has a matrix structure, meaning they have directors of each vertical who then report directly to the managing director. There are also general managers who also report to the managing directors. There are dotted lines within the structure as the general managers work with the directors, as under each general manager, there is a manager of a certain vertical. This matrix structure for the subsidiary as a whole, together with reporting lines and dotted lines, are handed down from the KONE head office.

KEA reports directly to the Asia Pacific head office in Singapore that monitors their performance closer, and then the KONE head office. The KONE head office gives support in the rollout of all global initiatives. The projects are rolled out directly from the head office in KONE Helsinki (HQ) to KEA, with the required key users to support the subsidiaries, thus eliminating the necessity of Asia Pacific to be the ‘middleman’.

The change manager at KEA, “S”, has been at the organization for over 26 years. He has seen countless of changes in the organization, striving for improved processes, best practices and harmonization. When asked about the structure of the subsidiary and its relationship and connection to the HQ, he explains that the company is quite process oriented. Almost every process the KEA subsidiary undertakes is an influence from the HQ. The processes have been well defined - increasingly so, as emphasis was put on smoothness and harmonization of all processes and the ways of working across countries, aiming to use and implement different best practices set out by the organization’s HQ.

“S” explains that over the years, individual units did not always pick up and implement all the best practices and processes developed by the HQ, but due to a new effort and something the company calls “KONE Consistency”, they have been focusing on

synergies. There have been increasing collaborations and communication between subsidiaries and units, thriving for consistency among country units. This, naturally, meant more organizational changes that needed to be successfully implemented at KEA. One example is the newly implemented SAP system that now is standardized throughout the entire organization, or the factory order system they have taken on. The titles and names of positions and ranks are also standardized throughout the organization and influenced by the HQ.

The company is striving for alignment. 20 years ago when “S” first started working with KONE at a different subsidiary, everyone had their own system. Not only did country units have their own system but even states, down to the individual branches did. This has been seen as a good change, overall a good initiative to align processes and create synergies. “S” gives me his vision of the alignment he envisions:

“You should be able to basically walk out of Australia, walk into another country and do exactly the same role there and yield the same processes and system”

Essentially meaning that the employees should be undergoing the same role responsibilities and functions in each unit, with as much standardized ways of working as possible. When asked about the extent of standardization versus localization of ways of working from the participants, the “KONE Consistency” initiative was mentioned as the biggest standardization effort. Other aspects, such as tools, are also standardized as “D” explains me that the HQ makes everything easier for the subsidiary units, such as KEA, because they do not need to “re-invent the wheel” when it comes to branding and marketing materials. She did mention, however, that sometimes they struggle with localizing existing images, but in this case they have the full capability to create their own set.

Localization happens “to a degree” as “D” describes, depending on the business need and what works and what doesn’t. This is quite flexible and will often depend on the discussion among leaders and explanation of what doesn’t work and why, and the reasoning provided. Some significant and obvious localization needs arise from culture, time zones and country systems, “U” explains, for example in Australia employees are

unionized, which makes some processes different in HR than for example other countries in the region. “U” describes the localization extent within the organization:

“They are flexible as long as you share it with them and you get an approval that everything is on the right track”

Participants were also asked about the culture, in a vague manner, just to see what comes to mind. Most answers included describing the culture as multicultural feel and described everything to be in English, even though the company is a Finnish company.

“I do not feel that the culture belongs to Finland”

Explained “D”, elaborating that the HQ did a good job in making sure the culture is inclusive and international.

4.2.2 Corporate Communications

4.2.2.1 Importance & Characteristics

Many participants stressed that the role of communication within the organization was extremely important, especially when it came to communication between the HQ and the KEA subsidiary. “D” explained that all new releases that needed to be deployed locally came from HQ, which meant that smooth and clear corporate communication in this sense, was vital.

The characterization of the relationship and communication between the HQ and KEA subsidiary was described as supportive by everyone interviewed – “J” mentioned, as a relatively new member in the organization, how he was impressed with the fact that even with the time difference, he could always expect an answer within a day. The communication was pro-active and personal. There is an overall sense of encouragement when it comes to asking questions and inquiring about issues. The positive characteristic of the corporate communication also includes open feedback as suggestions and improvements are welcome. “D” tells me an example of when the HQ took her suggestion for an internal campaign to improve signatures for different devices

– the dedication to continuous improvement showed through actions, not just in theory and on paper.

4.2.2.2 Frequency & Method

Overall, each department, system or project has a regular monthly meeting – this seems to be the norm in the company, gathering information from all the various departments interviewed.

“D”, who’s the key user for salesforce at KEA, has a virtual meeting with other key users, and leadership overseeing it, worldwide once a month. During the meetings they discuss updates, best practices, news, new releases and possible issues needing to be fixed. They also have a yearly face-to-face meeting where there is a chance for personal interactions, development and achieving all types of improvements within the role. “D” described these yearly meetings as,

“Amazing...”

“D” is also in the marketing and communications team, which does not hold virtual meetings as often. When asked about the reason, she explains that there are not as rapid innovations in the field. There is, however, a three-day meeting with marketing professionals worldwide annually. “J”, whos the Marketing Manager, also describes the communications as project related- as all specific projects have clear and ongoing communications via virtual meetings when discussing across countries/continents. He also has Digital Marketing meetings that focus on the digital, innovative side of marketing.

“U”, from Human Resources, says the amount of communication really depends on departments and its needs. Change issues and IT have quite extensive communications on going, as there are a lot of global developments, while some other departments might be more stable and constant, requiring less back and forth communication.

4.2.2.3 Collaboration and networking

When discussing communication, the follow up questions touched upon collaboration and networking as a tool of enhancing communication as well as a stand-alone communication method. Making things happen in practice, has a lot to do with the personal connections people have within the company, “D” explained. Even though the communication is solid and flows well within the subsidiary and the MNC as a whole, some things work better in practice when there is a personal connection. This personal connection evolves in different ways, for example: previously working together, meeting each other in other regional events or meetings, or simply from previously working in another country subsidiary. All of these speed up the process as well as enhance its efficiency according to “D”.

The closer connection employees have to each other, the higher the chance for collaboration. The chance of a person reaching out increases significantly in “D”’s experience, the moment someone has had a networking experience with someone and built some sort of connection to them – even if it is the slightest connection, or seeing them at an event and speaking a few lines, it could trigger and push the person to take initiative and reach out instead of waiting for formal channels of communication to go through, or just not reach out at all. Networking and collaborations improve ways of working according to all participants that mentioned it during the interview. “D” feels strongly that a personal connection, even at this digital age where the majority of things are done via virtual tools, makes a significant difference in the way people collaborate and communicate, and the depth of it in general.

“S”, “J” and “D” all speak of the events at KONE as great networking and collaboration settings, where employees get to build connections with fellow coworkers cross-borders. This is vital since the work extends beyond one’s subsidiary at times, which is when connections in another market become vital. The familiarity and informality, gives KONE’s effective formal communication a boost, where employees are encouraged and pushed to reach out and collaborate even when it is not required but would be of an advantage.

4.2.3 Change Management at KEA

KONE's change management has been a focus point of the company the past years - as the concept and phenomenon increased, the MNC has been putting more emphasis on how change is managed within the multinational and its subsidiaries. The company has structured it so that each region/country, or major area has a change manager - KEA is within the Asia Pacific region. "S" acts as the change manager at KEA, and reports to the change manager that is responsible for the wider region. The change professionals have monthly meetings to discuss events and happenings within the area of corporate change management. The change managers also go through trainings and courses, to increase their understanding and skills in the field. "S" for example, besides his regular training, has started his diploma in organizational change management to help him develop as a change manager.

It is important to note that most change managers have other roles and responsibilities next to their change management roles as well, for example, due to the long history "S" has with the company he also focuses on marketing, internal communications and project management when and where needed.

"Change manager is my title but there is quite a bit to it" - he explains.

The actual job description of a change manager at KONE states that the responsibility of the manager is to facilitate and lead change management activities day-to-day, however, in reality due to the other responsibilities of change managers, this sometimes gets put on the backseat while the other responsibilities have to be taken care of.

"S" discusses how change is done at KONE and KEA, and he explains that changes are completed under project banners. There are minor and major change projects. KONE has a specific methodology for a change process, which is adjusted by the managers to their own knowledge and training.

As previously mentioned, KONE Consistency is the bigger change initiative the change managers are working on, on a continuous basis. This initiative is a bigger process project to achieve standardization of all best practices throughout the company. "S"

mentions localization here, because even though he uses the term standardization throughout the multinational, he notes that the company is sensitive and understanding with localization needs. One example of the KONE Consistency project was the transition for KEA to move from three different systems to a single, SAP platform system internally. The platform standardization, however, didn't involve a process change. "S" thinks back to the biggest change he has seen KEA go through which was back in 2008. This involved a major process change that also involved employees' job roles to change at times.

KEA has roughly, on an average, 20 projects a year involving change. For example, this year KEA had ten local and five global projects. The length vary depending on the project but can take up to anywhere from one month to around 2 years time. Each project requires serious collaboration from other departments and the department the change affects most. "S" and his change team, which consists of 2-3 people that had change as an additional responsibility to their daily roles, are the 'front line execution'. Which means, that they are the one involved in each change project, while other collaborators rotate.

The front line executioners are sent out a 'road map' yearly, during the end of the budget year, which is a guide for the HQ to communicate the required and possible change projects for the subsidiaries. Each regions/subsidiary's change manager, together with the team and top management, pick out what is important for their relevant marketing within the 'road map' received from HQ, and pick out the most important ones to go forward with, in time for the budget to reflect the needs for the year ahead. Once projects are picked out, the teams and people involved in each project are picked out as well, and then the communication of change and change management begins.

"S" explains how "piloting" change programs are executed in smaller regions first. The rationale behind piloting a change initiative in a smaller subsidiary, versus implementing it at HQ or a bigger region right away, is to ensure the smooth running and implementation of a change project when it is executed on larger scale. By piloting

a project at KEA for example, the team can learn how implementation works in practice and see what works and what doesn't. Once the project is complete, they can communicate the results back to HQ (even though, as "D" mentions, there is constant communication ongoing) and adjustments can be made according to the findings. This strategy ensures that no major barriers arise, and possible difficulties are foreseen. Of course, each subsidiary and region is different, presenting new obstacles. However, it makes the implementation process much smoother as the change managers do not go in the process blind.

Wanting to understand how the implementation stage worked at KEA, I asked "S" what exactly happened during a change project in practice. At KEA, the change manager moves around departments that are currently undergoing a change. As previously mentioned, the changes are managed as projects. "S" would pick and empower a change leader within the department that would act as a business owner. At KEA, there are multiple offices across the region. If the change is within the marketing department for example, that sits at the main Sydney office, "S" would work with them. However, when a change project is happening across departments, meaning more than one office is touched directly, he would relocate for that time period or move around between offices alone or with a team. Several types of communication methods are used, which will be discussed in the next section.

Dealing with problems and possible conflicts during change also happens many different ways depending on the nature of the issue. "S" explains how they had to resort to technology during a more serious problem, shaking his head in disbelief. Once in the past, when a new system was implemented, they noticed that months the move to a new system, the employees had slowly gone back to using the old system again. This was a major conflict, and they had to resort to simply shutting down the old system so it could not be used. According to "S" this was a huge learning incident for them and it is when they started pushing monitoring change initiatives much more effectively. Two crucial factors aid in solving and dealing with issues during change, which involve management support and communication, according "S". He also emphasizes the need for having change leaders stepping up and supporting the process.

With local change projects, there are no direct orders from the HQ to roll out the projects. HQ provides suggestions and process examples/templates but it is completely in the hands of the local subsidiary and unit. After the right people are ‘recruited’ to the change project, the team starts to work out who their main stakeholders are for the change project. Its important to figure out who will be effective, so that the stakeholders can be involved in the process as much as possible, as some type of ‘consultants’, “S” explains. He describes their involvement and its purpose:

“Even knowing in a lot of cases, you know they are not going to influence the outcome so much, it’s more about the mentality of making them feel important, heard, basically, and involved”

Furthermore, the feedback received from stakeholders is quite often good and practical feedback that can be used to adjust or aid the implementation. When dealing with stakeholders and trying to appeal to their needs, “S” says that what is especially crucial is to,

“Put yourself in the position of the stakeholder”.

It is vital that all employees are ready for the change once it is implemented. There is an assessment tool, that the company uses (templates provided for local subsidiaries) that have questions for each stakeholder to answer, to see whether they are ready to move forward to the implementation stage of the change. When asked, “S” said that what employee readiness really means for him at the core, is that the employees see the benefits of change and due to that, actually want to change.

There are a number of issues that can arise during a change project at KEA. From the change managers perspective, “S”, and “D” who also used to be part of the change team, a few of such issues are: lack of resources to complete the change, getting someone to manage the change from the relevant department on top of their daily job, reporting issues and conflicts and many times, motivation. When a business owner, discussed previously, is chosen from a specific department, the individual needs to take on this significant role as an additional to their daily job. This, especially during busy

and hectic periods, can be unappealing and even frustrating. Reporting issues arise when, for example, employees from a department undergoing change are given instructions from both the change manager and their own supervisor/manager that somehow collide either in timing or end-objective.

Several problems connected to employees directly can also occur. “S”, “D” and “U” characterize the most common issues they believe involve employees:

- Slow uptake by the employees
- Resistance from employees
- People not liking change
- Slipping back into old and comfortable habits
- Worrying about the unknown
- Work on top of the change process tasks
- Reporting

When explaining the issue with slow uptake by employees, the interviewees mention that at times people do not bother to try and adjust to a new system, or learn and understand what the change requires. They rather ignore the new change that is coming until they are required and forced to deal with it, which is not an effective way to transition into a change and implement it. The resistance comes from many sources, several of them on the list for example: the dislike for change or the perception that they will dislike the change. “S” explains his thought process when it comes to the relationship people have with change:

“I think there is that perception that no one likes change but I think its more like... no one likes immediate change”

When saying, immediate change, “S” also explains that this means change that is unexpected and that they were not ready for. A change that is unknown and not understandable for them. Slipping back into old habits, for example the old system usage by employees previously mentioned, is also a problem as once a change project is implemented, it is vital for the company and employees to move forward and not

backwards. The juggling of workload and figuring out reporting is also a difficult task in a busy and upbeat office.

The solutions given by other participants were similar to “S”’s thoughts, and involved technological help, management support and change leaders’ involvement. They all emphasized the significance of communication within all three of these solutions, throughout the entire change process and during possible issues.

4.2.4 Internal Communication during change

Naturally, communication differs slightly during each change project depending on the scale and type of change KEA is undergoing. However, I learned that all types and varieties of communication methods were used, as much as possible and as many as possible, during change implementation. Some of these communication tools and methods are:

- Posters
- Newsletters
- Internal intranet
- Town Hall meetings
- Emails
- SMS
- Focus groups (to receive feedback and talk to relevant stakeholders/change leaders)
- Regular Face-to-face manager meetings

A major issue with communication methods deemed to be the receiving of the message, as mentioned earlier. While KEA uses a number of methods to communicate to their employees, it was almost spoken of as common knowledge that the most effective way to ensure the delivery of a message was face-to-face communication, even if another three-four type of methods were used prior. This is, as “K” explains, one of the reasons the monthly birthday celebrations on each floor were introduced, so that everyone would be gathered in one area, where important announcements could be made public and to ensure new members were introduced to everyone.

The interviewees described the willingness for employees at KEA to change as, generally, positive. However, this highly depended on the change and the reason for

change as well. For example, technological changes as “K” explained, were sometimes difficult as people within the KONE industry are very specialized and when a drastic technological change had to be implemented, some employees did resist. “U”, from an HR perspective, believed getting people on board was the biggest possible problem as there were frequently new initiatives and changes having to be rolled out.

Apart from this, one major issue that the change manager already noted before, was that besides managing the change initiatives, him and any key member of the change team in a certain department, still have their daily workload to complete on top of the significant task of managing change.

Every single participant in the interviews described communication to be a significant, if not the most significant factor during change. “S” described communication as “*massive*” with a huge emphasis on the word when asked its role during change. Referring back to the previous section, when thinking about how to communicate, he argues it is vital to put yourself in the stakeholder’s shoes.

The participants explained the importance of identifying the key people change is going to effect, and then understanding how much information can be provided to them from the start. Stepping the change out in stages was something the subsidiary had taken from the HQ, as everything had a process that allowed people to understand what was happening in time, and provided them with some guidance as to what was to come.

Most interviewed believed you could not over communicate during change implementation; however, “D” had the opinion that you should not over communicate. If information is not relevant or helpful, it might do more harm than good, which is a case when over communication is a negative thing. “D”, as well as “S” agreed that no matter how much you communicate, through all the different channels, there will always be employees that are still unclear or confused about the process, or details of the process, because of the lack of attention and care. It is thus vital to communicate well and to communicate and involve people early on in the process. Consequences can be felt if communication was not done well and thoroughly, as people resist right away

if they are not communicated to about what is happening. “U” shares her thoughts on this:

“As a general rule, the best way to stop resistance or gossiping etc. ... is to communicate effectively and be quite open and give regular updates”

This is why, once a change team starts the process of a change project at KEA, they start communication right away in order to ensure, as many employees are aware of what is happening as possible. The communication methods differ in an attempt to reach everyone through the communication channel they are most comfortable with. While the office workers might prefer email or the monthly Town Hall meetings, the blue collar workers get their information face-to-face from their managers, newsletters or the SMS alerts, recently implemented in order to ensure information reception for the field workers.

When discussing the possible conflicts that might arise, discussed in the previous sections, all interview participants mentioned internal communication as a tool for the method of resolving those issues and ensuring the right employee attitudes. “S” explains that many issues can be resolved if management or change champions take part in communicating the change, in a timely and motivating manner.

“Employees must see a need for the change... see the benefits, and then hopefully, want to change as well” – he states.

“K” shared her view on explaining benefits of change to employees as,

“...Big key is, whenever you have got a big change, is to make sure you can list off the benefits to the change... if there are no benefits then no one is going to be on board with it.”

“U” also urges for the participatory nature of communication, to engage employees during the design phase of the change already. Her and “S” noticed that by involving and giving ‘control’, or at least the sense of it, significantly increases commitment by employees to the change and organization itself.

Change managers and leaders, aimed to achieve employee readiness through internal communication actions, in order to ensure the smooth implementation. “S” simplified this by stating that unless employees are ready for the change, the implementation will not be effective and more issues will arise. “U” talks about unity of employee readiness, that it is meant to ensure all teams and individuals heading in the same direction in order to enable KEA to remain a unified subsidiary:

“You can’t have one team going one way and the other team staying still. You all have to be moving in the same direction.”

Priming people for the direction, through communicating to them effectively and in a targeted way is important, as it explains employees what is yet to come with the change and gives them a chance to understand and deal with their reservations beforehand with the help of the change management team. “U” notes that the role of the internal communication is thus, to ensure that employees are at the stage where they are able to accept and commit to the change and the organization.

4.2.5 Reflection on KEA practices

The opinions and reflections on the overall KEA practices were broken down into three parts: strengths of practices, weaknesses of practices and improvements that could be made on communication and change management actions at KEA.

There was an overall consensus among all the participants that communication, as a whole, was not an issue or source of conflict within the organization. Many participants praised the communication effort and efficiency within the organization – especially when it came to communication from the HQ in Finland to the subsidiaries, in their case KEA. As “K” put it –

“...Extremely supportive and fair and they will always listen to opinions, in my experience the HR team that I have dealings with in global (KONE HQ) have always been fantastic”

The methods and tools used for the communication was also an aspect that worked and was deemed a strength, as there was variety and appropriate channels used for different communication objectives, depending on the requirement, goal and target audience they wanted to reach with the message. Both “U” and “D” noted that the style of the message that was delivered, through different channels, had a positive attitude and tone to it. The change managers and team used an enthusiastic and supportive approach to internal communication through language usage.

One specific strength during change management at KEA, that “K”, and other participants praised, were the focus groups used during change project initiation and implementation. The focus groups allowed the change manager and other leaders to receive proper feedback that was valuable for making decisions and strategies for the change projects. During focus groups, relevant employees were gathered to discuss different aspects of the change and the ‘soft’ aspects of the change process – to gather information not only on technical/implementation issues, but also to feel out employee attitudes regarding the change and to foresee any possible conflicts that might arise, before they actually arise.

A major weakness that “S” deemed as a barrier to successful change management was engagement. He explains that in some change projects, they came to the conclusion that the employees, were not engaged early enough in the change process, which lead to issues. This could happen in the event of HQ building something and initiation having be rolled out instantaneously. The instant rollout leads to no engagement, no consultation and no two-way communication, which as a result, drastically increased the chance of employees not committing to the change. “S” explained how employees, need to have the feeling that they can contribute and are heard. In this case, the opposite was achieved as something was forced on them, on top of their daily work, which leads to frustrations.

As part of the improvements, more focus groups were recommended, as it was something that seemed to work well in the subsidiary and showed results as a communication method in change projects. By choosing or electing willing

‘champions’, who were key people, and involving them in the change project, the process of bringing the others on board the change process would be much easier with better results. This could even mean getting ‘champions’ from other offices to the main office while the introduction and beginning/planning phase of the change was being thought out – once the implementation was ready to be rolled out, they would return to their offices and help promote the change from within.

Another improvement that is vital to change management was monitoring the change project once it was complete. They have had mistakes with monitoring before, which they fixed and learned from, but looking ahead more needs to be done to ensure proper monitoring and communication following a change. “S” thinks out loud about a possible part in monitoring, talks about setting KPI’s at the beginning of the project, to see the benefits wanted and expected from a project, and going back to it at the end of the process to see whether it has been realized or not.

5. DISCUSSION OF FINDINGS

The follow section aims to answer the underlying research questions of this paper based on the empirical findings and compare them to the propositions put forth, developed from the literature review synthesis.

Looking back at the research questions of this paper, the questions asked were:

1. How should internal communications be formulated and delivered to employees during organizational change management?
2. Considering the issues that arise in subsidiaries of MNCs during organizational change, how can change managers use internal communication with employees to begin solving these issues?

As stated earlier in the literature review, the change management context of the KEA study, focused on chosen change within the scale category. If we revisit Price & Chahal’s (2006) definition of chosen change, “Chosen change is more a proactive approach driven by a workforce committed to the success of an organization” (Price &

Chahal 2006, pg. 239), we see the fit with KONE's overall approach to change management in the organization. Through the interviews and the time spent at KEA, it became apparent that the subsidiary, and the MNC as a whole, pursued change actively and strategically to continuously develop and refine their practices through change initiatives, such as KONE Consistency. Looking at KONE and KEA's change management from a scale category perspective, the initiatives that were ongoing and that were discussed, were directed towards fine-tuning, incremental adjustment and modular transformation, but not corporate transformation changes, as their initiatives focus on: aligning processes, practices and general structures, change to specific departments not entire transformations affecting the entire MNC drastically.

Corporate communication at KONE was visibly an emphasized and cherished role – this was evident from the actions and effort put into the practice, even without having it confirmed by each interviewed participant. During the time spent at the KEA subsidiary, the strong connection between the HQ and KEA was a positive surprise, as not only was the speed and efficiency noteworthy, but also the attitudes and energy. There was a commitment from both sides to the communication clearly and directly through all departments and during projects. During executing a project, which was handed down from the HQ, the subsidiary had the full – visible and vocal - support and backing of the HQ.

What this meant for the delivery of internal communications to employees during change is that KEA had the full support of top leadership, who voiced their support and communicated about the change transparently throughout the organization in a direct manner. Referring back to literature, these actions help justify and legitimize the organizational change and aids in achieving internal communication objectives with employees, through strengthening commitment by having leadership stand behind the organizational change.

During organizational change, the KEA subsidiary delivered communication in various methods but focused on formulating the messages to each employee group in a targeted manner, depending on who was involved in the change. The method of delivery, while

many were used, also depended on the employee's role within the company – meaning they received information in the method they were most receptive to.

There were several problems that presented themselves during change, which the change management and communication team had to face. One of the major ones was the resistance among employees that rose from uncertainty and lead to no commitment by the employees. The team tackled this issue through learning to communicate with employees about the change as soon as possible. Once the team had the go-ahead from top management, they started communications through the channels and presented the relevant information for employees about the change

The team also identified change champions, who were key people in the departments that were affected by the change, to build legitimacy and trust among the employees to get them to commit to the change. Face-to-face communication was vital, to ensure all members of the subsidiary received the key messages and information about the change. Furthermore, one of the most praised initiatives to uncover employee opinions, let them give feedback and get champions on board were the 'focus groups' that were present during organizational changes. This face-to-face internal communications was deemed successful in not only achieving commitment from the focus group members (and the employees that were later influenced by the champions) but also reduced uncertainty due to the information provided and resistance as the sources and reasons were uncovered.

One aspect of the internal communication formulation KEA succeeded in achieving is the tone of the communication and overall attitude. According to the participant, employees were usually positive about changes as the communication was delivered in an enthusiastic and reassuring style, which aided in employees positive image of the change even if reservations were present.

Some problems still remained to be improved on, as many of the individuals, including the change manager, were often over worked with their day-to-day tasks to be able to fully commit to the successful change management and its communication goals. Furthermore, many methods deemed the best way to reach an employee group were

sometimes unsuccessful – leading to some employees being uncertain and unclear about the change until face-to-face communication happened, even though they were given the information.

Referring back to Table 3, the propositions from earlier in this paper, we find significant connections between theory and practice that helps us develop successful and effective internal communication formulation and delivery by a subsidiary to employees during change. KEA's internal communication follows several of the propositions put forth. The change managers and leaders recognize the need to eliminate employee resistance and ensure commitment before implementing a new change and have put several practices in place as a result, discussed above.

Proposition 3 was realized through using various methods and channels of communication to employees during change. The subsidiary made a significant effort to ensure delivery of all types of communication methods so that employees received the message they needed. Proposition 6 and 7 were actively used the subsidiary through their focus groups and face-to-face communication from management during the monthly meetings at least. The benefits were always communicated as it was deemed one of the most important factors for employees to become committed to the change by the change leaders. The tone and way of delivering the details of change in the context of employees' jobs was positive, in line with Proposition 8.

Few of the weaknesses found within the communication were already being improved and developed upon. If we take Proposition 1, we see that to avoid uncertainty the change should be communicated in a certain way as soon as possible. While KEA has not done this in the past, thus did not engage their employees as soon as possible in the change, they recognized this and adopted it to the communication practices for future changes.

Areas where the subsidiary falls short, however, lies within the quantity and the details of communication, based on the propositions presented and interviews. While face-to-face communication was always a communication channel KEA used for internal communication with employees, the frequency and depth were not in line with that the

change managers would have hoped for. If we look at proposition 2 and 4, the communication should give enough details about the next steps and the individuals job details in order to avoid uncertainty and resistance. According to the participants, in order to ensure that all employees received these detailed information, there had to be increased amount of face-to-face communication and/or more ‘focus groups’ to reach more employees in the depth they wanted to.

In order to view the propositions in the context of the findings, an updated table below shows the propositions with the learning’s found from empirical data. The aim of the additional comments is to understand the propositions hypothesized from a more practical perspective and aid in future research and help formulate further hypothesis.

Table 4: Propositions for internal communication during organizational change at a MNC with additional contextualized comments based on findings

Avoid	Uncertainty	P 1. explain the strategic reasoning for the organization change as soon as possible	<i>Must formulate and plan the first communication of org. change in time, so that it is ready to be delivered as soon as possible</i>
		P 2. explain the effect the change has on employee’s job role, tasks and responsibilities clearly	<i>Details of the change and how it effects employee roles should not be forgotten, use the team members that are aware of these factors (HR) to formulate the message effectively</i>
		P 3. use several channels and methods of communication	<i>While face-to-face deemed most effective communication method to ensure reception of message, different tools needed to support message and enhance understanding</i>
	Resistance	P 4. involve employees in two-way communication throughout change process	<i>Ensure the correct people (change champions/change leaders) are focused on during two-way communication so they can influence other employees positively</i>
		P 5. provide clear guidelines on how to proceed within the context of the change	<i>Use key members (HR/line managers) to understand next steps for employee groups and ensure they are formulated accordingly</i>
Achieve	Commitment	P 6. ask for direct feedback from employees regarding the change and its process	<i>Use focus groups or other ‘safe settings’ where main aim is to receive feedback</i>
		P 7. be delivered by direct management, who communicate how the change’s benefits and how it fits in with the organizational vision.	<i>Subsidiaries need to show the backing of HQ of MNC when communicating the change vision, to show wider support for it</i>
		P 8. discuss change in the context of employees’ individual jobs in a positive light	<i>Tone and style of communication important, face-to-face communication setting to be thought out</i>

P1. – KEA struggled to deliver information about change early on in the process but realized its importance for future change communications. In order to ensure the timely communication and delivery of information, the change team must formulate and plan ahead of time.

P2. & P5. – The necessary individuals with the correct knowledge of how the change will affect each employee group must be involved in order to give correct and detailed information to employees. KEA's change team is cross-functional meaning HR and the manager of the department involved in the change often play a role in the change project, which should be utilized.

P3. - Face-to-face communication has to be well planned since it is not simple gathering all employees in a bigger subsidiary such as KEA. While this form of communication should be used when possible for bigger announcements, and in case of emergencies when rapid and drastic action is required, other communication channels and tools should be used to deliver information as well.

P4. & P6. – The subsidiary used focus groups well and also targeted 'champions' for two-way communications. While it is important to use two-way communication it is not always possible to engage every single employee in an in-depth discussion. This is when 'champions' also aid in the ability to delivery messages in a positive note to more than one employee. The use of focus groups allowed for more than one person to engage in discussion and for real feedback to surface, this practice also provides vital information of issues and conflicts that might arise.

P7. – On top of authenticating the change initiative through delivering change messages through direct supervisors, it should be clear that top leadership are positive about the change and its actions. KEA is clearly supported and backed up by the HQ in their decisions and change projects, which shows the commitment from the entire MNC.

P8. – Formulation of messages is just as crucial as its delivery, as the tone and style of the message, as interviewees state, are significant factors when it comes to influencing employee attitudes.

Reviewing the updated propositions that include the contextualized additional comments, we are able to view the propositions from an increasingly practical perspective. This allows for a more practical research for the future where the propositions can develop into a managerial tool for change teams and leaders in a MNC.

6. CONCLUSION

The paper proposes a hypothesis that internal communication should be formulated to employees so that change management can avoid resistance and uncertainty while achieving commitment to the organizational change. Propositions were put forth for the delivery of the communication in practice, so that the above goals can be reached. The empirical findings support several of propositions for beginning to solve issues of change management during change in an MNC and its subsidiaries through internal communication in practice. The findings found from the empirical research aided in adding more practical, contextualized comments to the propositions that helps forming further hypothesis in future research.

In order to avoid uncertainty, three propositions were presented. First, communication should explain the strategic reasoning the organization has followed when deciding upon the change as soon as possible, and second, explain the affect the change has on individual employee's job. To avoid uncertainty, various channels and methods of communications should also be used to ensure effective delivery.

For avoiding resistance, it is proposed that employees should be engaged in a two-way communication in order to be heard and to be able to recognize sources of resistance. Furthermore, internal communication should be formulated so that it gives clear guidelines and information on the next steps of the change for employees.

To achieve commitment for the organizational change from employees, three propositions are presented. First, direct feedback should be asked in order to allow employees to voice their concerns and feel that they are in control of their jobs. The benefits of the change and its connection to the vision of the entire MNC should be

communicated by a direct manager to increase credibility and commitment. Finally, the change should be communicated in a positive light in connection to employees' jobs.

The limitations of this paper are found within the quantity and depth of research. As one subsidiary was researched, we cannot assume the findings to be relevant or transferable to all subsidiaries, especially in the context of multinational companies that have subsidiaries in different parts of the world with different languages and cultures. Furthermore, five professionals were interviewed from the subsidiary based on their personal views, including the researchers opinions and observations during the time spent at the KEA head office.

A further limitation to the research is found within the perspective of interviewees. The interviews did not include 'employees' - no employees were interviewed about how they perceive the communication formulation and delivery towards them during change. Instead, the research focused on the professionals on the communication, change and human resource departments to understand their knowledge and perspective on communicating to employees. This research method allowed the answering of this paper's research questions in detail and hypothesis of propositions put forth, however, if one wished to develop a complete framework that worked as a managerial tool, further in-depth research is required from the 'receiver's' perspective as well.

Taking the limitations in to account, the findings and propositions presented based on literature do not serve as a new framework or practical tool for change managers to implement into their internal communications practices. Instead, the propositions and the findings connected to them through the empirical study, serve as a hypothesis to be further researched in order to develop concrete practices for successful internal communication formulation and delivery to employees undergoing organizational change in a MNC. In further research, the employee perspective should also be studied, in order to completely understand perspectives on internal communications during change, and enable future research to come to a full and practical solution to the research problem.

The research holds practical implications to ones practicing or studying change management and internal communication as it uncovers the underlying attitudes that must be achieved or avoided through internal communication with employees, should an organization strive for successful change. Achieving the given employee attitudes are essential for a successful change implementation and can be achieved through effective internal communication. The practical implications of the study for the international business and management field is provided by the paper's propositions and findings, which aim to provide a basis for future research for those who's goal is to uncover and solve the issues with formulating and delivering internal communications in a certain way so that it influences employee attitudes during change in a multinational company in practice.

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